



# GIVING IN NUMBERS

*2011 Edition*

## Corporate Giving Standard

*An in-depth analysis of 2010 corporate philanthropy data from 184 leading companies, including 63 of the top 100 companies in the FORTUNE 500.*

COMMITTEE  
ENCOURAGING  
CORPORATE  
PHILANTHROPY

## ABOUT CECP

The Committee Encouraging Corporate Philanthropy (CECP) is the only international forum of business leaders exclusively focused on raising the level and quality of corporate philanthropy. Membership includes more than 180 global CEOs and chairpersons of companies that together account for more than 40% of reported corporate giving in the United States.

Founded in 1999 by the actor and philanthropist Paul Newman together with John Whitehead, Peter Malkin, and other business leaders, CECP continues to inspire and challenge private sector executives to find innovative ways to meet community needs and to lead the way towards better alignment of business and societal strategies.

A current membership list and information about CECP's events and research is available at [CorporatePhilanthropy.org](http://CorporatePhilanthropy.org).

## CORPORATE GIVING STANDARD

The data featured in *Giving in Numbers* is derived from the Corporate Giving Standard (CGS) benchmarking tool. By completing CECP's annual philanthropy survey, participating giving officers gain access to a customizable online benchmarking database containing over \$85 billion in comparative data since 2001. If your company is interested in accessing better metrics and accurate peer-to-peer reporting to serve its corporate giving, contact CECP to join the CGS: [Info@CorporatePhilanthropy.org](mailto:Info@CorporatePhilanthropy.org) or 212-825-1000.

**Download additional copies of this report at:  
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## PREFACE

The Committee Encouraging Corporate Philanthropy has had the privilege of collecting corporate giving data since 2001. The last ten years have yielded a storehouse of information that illuminates the relationship between corporate giving and the macroeconomic and cultural factors that influence businesses and their communities.

In 2010, the looming threat of a double-dip recession and widespread unease about the future of global markets significantly affected those factors. With unemployment rates remaining high, many communities in the U.S. and abroad struggled to find their footing. Moreover, the earthquake that devastated Haiti in January was only one of several severe natural disasters that commanded an international response.

As 2010 was the third in a series of strained and uncertain years, this edition of *Giving in Numbers* not only presents a profile of corporate philanthropy in 2010, but also seeks to answer the pivotal question: How has corporate giving changed since the onset of the economic downturn? The multi-year analysis in the opening section of this report offers a short answer: Companies do not always move in tandem. While some have responded to community need at levels that far exceed their contribution levels in 2007, other companies have cut back.

In order to supplement the quantitative data, CECP is able to leverage its longstanding relationships with corporate members and add a qualitative dimension to this report. Personal conversations with leading CEOs, along with discussions at CECP's annual Corporate Philanthropy Summit, have confirmed that greater societal need, the war for talent, and globalization are all significant forces that have shaped corporate community investment in recent years. Urgent hardship among their communities prompted many companies to apply above-budget resources toward supporting basic health and social service programs, as well as disaster-relief efforts. The competition to attract and retain talented employees has encouraged many more to offer innovative and meaningful employee-volunteer opportunities, including paid-release time and dynamic pro bono service programs. And corporate expansion has led to the creation of robust philanthropic initiatives in countries around the world.

In support of the global evolution of corporate philanthropy, CECP has also undertaken, with assistance from Deloitte, to reconcile the international discrepancies as to what constitutes "a charitable contribution." The ambition of this project is to standardize the definition across borders so that when multi-national companies report on their global charitable giving, the repository of peer benchmarking data is that much clearer and more conducive to comparative analysis. CECP hopes that this resource will promote even greater international charitable giving and we look forward to sharing news of the project's progress in the months ahead.

CECP warmly welcomes feedback on this edition of *Giving in Numbers*. As an organization committed to serving those on the front lines of serving their own communities, we encourage any and all conversations toward understanding and navigating the challenges and opportunities before us.



**Alison Poppe Rose**

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Committee Encouraging Corporate Philanthropy

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# PROFILE OF CORPORATE GIVING IN 2010

## 2010 DATA SNAPSHOT

One hundred and eighty-four companies participated in the Corporate Giving Standard (CGS) Survey on 2010 contributions, including 63 of the top 100 companies in the FORTUNE 500. The sum of contributions across all respondents totaled over \$15.5 billion in cash and product giving.

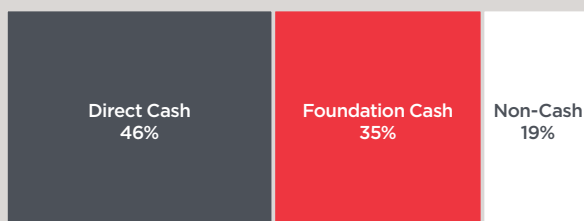
	All Companies* (N=183) Median Values	Fortune 100 Companies (N=63) Median Values	All Other Companies (N=120) Median Values
Total Giving	\$22.10 million	\$53.02 million	\$14.60 million
Total Giving as a % of Revenue	0.11%	0.09%	0.12%
Total Giving as a % of Pre-Tax Profit	0.91%	0.96%	0.87%
Total Cash Giving as a % of Pre-Tax Profit	0.69%	0.66%	0.77%
Matching Gifts as a % of Total Cash Giving	14.64%	14.41%	15.13%
Total Giving per Employee	\$628	\$639	\$626

*\*One company did not provide full data on its total giving, so it is not included in the table above.*

## TYPES OF CORPORATE CONTRIBUTIONS

The typical company provided most of its giving in cash, with the remaining portion in non-cash contributions (product donations, pro bono service, use of facility/space, or other in-kind contributions, all assessed at Fair Market Value). *See page 20.*

### Total Giving by Funding Type, 2010, Average Percentages N=183



## MATCHING EMPLOYEE DONATIONS

Through matching-gift programs, companies match employee donations of money or volunteer time to eligible nonprofit organizations. In 2010, 94% of companies offered at least one matching-gift program. Among that group, matching gifts comprised an average of 15% of a company's total cash giving. *See page 26.*

## ENGAGING EMPLOYEES AS VOLUNTEERS

Employee-volunteer programs are planned and managed efforts that enable employees to volunteer under their employer's sponsorship and leadership. In 2010, 89% of companies had a formal domestic employee-volunteer program, while 52% had a formal international volunteer program. The most frequently offered programs were Dollars for Doers and employee-recognition awards. *See page 29.*

## MANUFACTURING COMPANIES LEAD INTERNATIONAL GIVING

The typical company provided 12% of its total giving to international end-recipients. Manufacturing companies provided approximately one-quarter of their total annual funding to international recipients, whereas Service companies contributed less than 10% on average. *See page 24.*

■ International Grant Recipients  
■ Domestic Grant Recipients

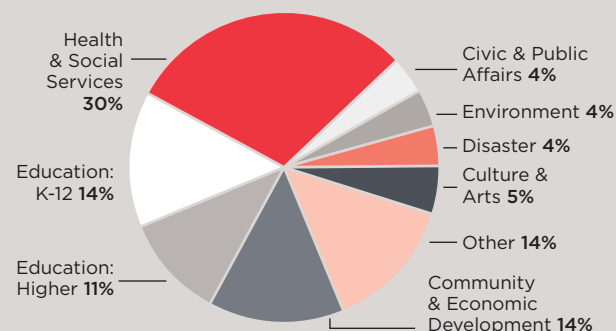
## MOST HAVE A FOUNDATION

In 2010, 81% of companies reported having a corporate foundation. The most common foundation structure was a pass-through model, where the company annually funds the foundation. The foundation, in turn, typically distributes 100% of those funds throughout the year, occasionally reserving some funds for lean times. *See page 33.*

## TOP PRIORITIES FOR GIVING

As is true each year, health, education, and community and economic development were top priorities for the typical company in 2010. *See page 21.*

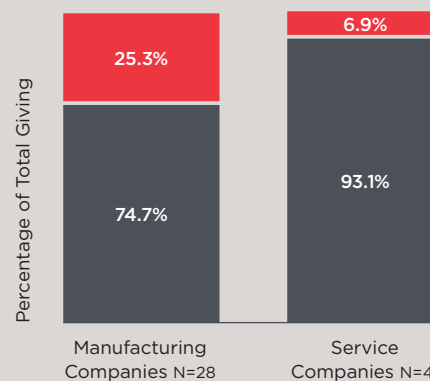
### Typical Program Area Allocations, 2010, Average Percentages N=119



## ADMINISTRATIVE COSTS

Management and program costs include compensation, programmatic expenses, and operating costs. While not included in total giving, administrative costs were equivalent to 8% of a typical company's giving in 2010. *See page 38.* The typical company employed eight Full-Time Equivalent (FTE) staff members to oversee, manage, or administer its corporate giving, corporate foundation, or employee-volunteer program. *See page 36.*

### International Giving as a Percentage of Total Giving, 2010, Average Percentages



# TOOLS AND TABLES FOR BENCHMARKING

## USING THIS REPORT

*Giving in Numbers* is a powerful reference tool that equips corporate giving professionals with accurate contextual data and methods for assessing the scope and scale of their philanthropic programs.

This section of the report includes:

- Instructions for Benchmarking
- A Year-Over-Year Giving Template
- Benchmarking Tables

## THE BENEFITS OF BENCHMARKING

Benchmarking corporate contributions enables giving professionals to do the following:

- Present the company's historical contributions in preparation for budget discussions.
- Contextualize corporate contributions within broader industry and peer group trends to identify alignment and differences.
- Highlight opportunities for new corporate community investment programs or policies.
- "Make the business case" for increased levels or types of funding support.

## OPPORTUNITIES TO USE BENCHMARKING

Benchmarking can be used year-round, but companies tend to benchmark prior to:

- Foundation or corporate leadership meetings
- Strategy or senior leadership meetings
- Meetings with a newly appointed CEO

CECP member companies collaborate with CECP staff to prepare for these types of discussions and presentations. To learn more about CECP's benchmarking support, please see page 46.



# GETTING STARTED WITH BENCHMARKING

## STEP 1. GATHER AND RECORD YOUR COMPANY'S YEAR-OVER-YEAR DATA

The template on page 8 is intended to help the reader create a high-level snapshot of year-over-year corporate contributions. The template does not have to be complete to be informative, as different sections of the report correspond to different sections of the template.

## STEP 2. IDENTIFY INTERNAL TRENDS

Many insights can be gleaned by simply looking at which elements of giving rose or fell year-over-year. For example:

**Revenue, Pre-Tax Profit, and Employees:** *By how much will recent changes in profit affect your philanthropy budget?* Lines 1-3 capture your company's financial performance and employee workforce. Depending on how philanthropy budgets are crafted at your company, a rise or fall in these figures can affect contributions this year or in future years.

**Total Giving:** *Are some types of giving on the rise while others are steady or declining?* Lines 4-7 of the template show the types of giving that are increasing or decreasing at your company. This level of detail is useful because each giving type carries with it a distinct degree of flexibility; there are no limitations on how direct cash can be contributed, while foundation cash is subject to self-dealing IRS regulations and non-cash gifts require logistical coordination.

**International Giving:** *Is giving abroad rising as your company expands globally?* Many companies direct a portion of their philanthropy toward international end-recipients. Even

those who do not typically direct money abroad may do so when a natural disaster strikes overseas. In broad strokes, lines 24-28 show where giving originates as well as the geographical location of its end-recipients.

## STEP 3. BUILD COMPARISONS FROM THE BENCHMARKING TABLES

The four benchmarking tables on pages 9 and 10 display commonly analyzed metrics of corporate giving. The tables are sorted by industry, pre-tax profit range, revenue range, and the number of employees. In these tables, 2010 revenue, pre-tax profit, and employee figures are used in all calculations. Medians are calculated on a column-by-column basis for each row; therefore, the data in each row are not necessarily from the same company.

Using your year-over-year giving profile as a reference, select a benchmarking table and identify the row that best describes your company in 2010. Reading across that row will provide key 2010 metrics for companies of similar size or industry. Moving from one table to the next, you will generate multiple values for the same metric based on the different categorizations of your company.

Multiple values for these data points should not be seen as contradictory; rather, multiple values are useful in determining an applicable range of data. Ultimately, using a data range is a more practical approach to setting a multi-year corporate contributions strategy than linking giving to one definitive benchmark.

## Key Questions to Answer:

- **Total Giving** (Line 7)  
*Is the total dollar value of your company's giving above or below the median values you have generated from each table? Is there an opportunity to make the case for a budget increase?*
- **Giving Metrics** (Lines 9-13)  
*How does your company's ratio on each of these metrics compare to the median across all companies? Within your industry? Within companies of similar size and scale?*

## STEP 4. BENCHMARK WITH THE OTHER FINDINGS IN THIS REPORT

### More Key Questions:

#### Total Giving (Lines 4-7)

- *Where does your company's change in giving from 2009 to 2010 locate it within the larger distribution of companies?* See Figure 3.
- *What type of giving at your company changed the most and how does that relate to other companies that increased or decreased giving?* See Figure 8.

#### Program Area Giving (Lines 14-23)

- *How is your company's allocation across program areas similar to or different from the allocations in your industry?* See Figure 9.
- *Do your company's allocations synch with its corporate culture?*

#### Motivations for Giving (Lines 29-32)

- *Is your company's giving becoming more or less reactive over time? How does your company's mix of giving motivations compare with others in your industry?* See Figure 21.
- *How has the changing economy affected the mix of giving motivations at your company?*

# YEAR-OVER-YEAR GIVING TEMPLATE

Companies that participate in CECP's annual Corporate Giving Standard Survey have free access to an online report pre-populated with this data. The report is entitled "My Company – Numbers Snapshot" in the CGS system. Other companies can use the following template to create a high-level snapshot of their year-over-year philanthropic contributions. Download this form as a free Excel template from CECP: [CorporatePhilanthropy.org/measurement/tools/assess-your-program.html](http://CorporatePhilanthropy.org/measurement/tools/assess-your-program.html).

CORPORATE FINANCIAL INFORMATION		2009	2010	Change
1	Revenue	\$	\$	%
2	Pre-Tax Profit	\$	\$	%
3	Number of Employees	#	#	%
<b>TOTAL GIVING</b>				
4	Direct Cash	\$	\$	%
5	Foundation Cash	\$	\$	%
6	Non-Cash	\$	\$	%
7	TOTAL	\$	\$	%
<b>MATCHING EMPLOYEE GIVING</b>				
8	Matching Contributions	\$	\$	%
<b>GIVING METRICS</b>				
9	Total Giving ÷ Revenue	%	%	%
10	Total Giving ÷ Pre-Tax Profit	%	%	%
11	Total Cash ÷ Pre-Tax Profit	%	%	%
12	Matching Gifts ÷ Total Cash Giving	%	%	%
13	Total Giving per Employee	\$	\$	%
<b>CONTRIBUTIONS BY PROGRAM AREA</b>				
14	Civic and Public Affairs	\$	\$	%
15	Community and Economic Development	\$	\$	%
16	Culture and Arts	\$	\$	%
17	Disaster Relief	\$	\$	%
18	Education: Higher	\$	\$	%
19	Education: K-12	\$	\$	%
20	Environment	\$	\$	%
21	Health and Social Services	\$	\$	%
22	Other	\$	\$	%
23	TOTAL	\$	\$	%
<b>GIVING BY GEOGRAPHY</b>				
24	Domestic to Domestic	\$	\$	%
25	Domestic to International	\$	\$	%
26	International to Domestic	\$	\$	%
27	International to International	\$	\$	%
28	TOTAL	\$	\$	%
<b>GIVING BY MOTIVATION</b>				
29	Charitable	\$	\$	%
30	Community Investment/Strategic	\$	\$	%
31	Commercial	\$	\$	%
32	TOTAL	\$	\$	%

## INDUSTRY

Companies in the same industry often share philanthropic goals, have overlapping stakeholders, and face similar business challenges.

Moreover, certain industries have historically high profit margins, while others expect more modest annual returns. To preserve confi-

dentiality due to a small sample size, data for the Telecommunication Services Industry are not shown in this table.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
<b>All Companies</b>	N=183	<b>\$22.10</b>	<b>0.11%</b>	<b>0.91%</b>	<b>0.69%</b>	<b>14.64%</b>	<b>\$628</b>
<b>Fortune 100 Companies</b>	N=63	<b>\$53.02</b>	<b>0.09%</b>	<b>0.96%</b>	<b>0.66%</b>	<b>14.41%</b>	<b>\$639</b>
Consumer Discretionary	N=22	\$22.84	0.23%	2.19%	1.11%	16.29%	\$446
Consumer Staples	N=17	\$37.06	0.12%	0.83%	0.52%	11.15%	\$439
Energy	N=8	\$34.27	0.08%	0.61%	0.61%	7.28%	\$1,924
Financials	N=48	\$24.72	0.14%	0.85%	0.82%	12.93%	\$722
Health Care	N=23	\$22.10	0.26%	1.66%	0.65%	14.42%	\$645
Industrials	N=18	\$21.66	0.08%	0.99%	0.88%	16.06%	\$184
Information Technology	N=21	\$15.64	0.13%	0.74%	0.45%	22.39%	\$559
Materials	N=9	\$4.36	0.06%	0.78%	0.67%	16.70%	\$432
Utilities	N=14	\$9.91	0.11%	0.66%	0.55%	16.14%	\$931

## PRE-TAX PROFIT

As it is only one way of investing in a company's long-term health, corporate philanthropy must compete with other departments for profit dollars. And while revenue provides a clear expression of a company's

financial size, it is pre-tax profit that indicates the level of discretionary funds that can be reinvested into the business. However, an individual company's pre-tax profit can change substantially from one year to the

next. While expenses like rising oil prices affect all peer companies, other factors affect just one company, such as the closure of an overseas office or the renegotiation of a vendor contract.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
<b>All Companies</b>	N=183	<b>\$22.10</b>	<b>0.11%</b>	<b>0.91%</b>	<b>0.69%</b>	<b>14.64%</b>	<b>\$628</b>
<b>Fortune 100 Companies</b>	N=63	<b>\$53.02</b>	<b>0.09%</b>	<b>0.96%</b>	<b>0.66%</b>	<b>14.41%</b>	<b>\$639</b>
Pre-Tax Profit > \$10 bn	N=19	\$189.20	0.13%	0.62%	0.53%	14.64%	\$724
\$5 bn < Pre-Tax Profit < \$10 bn	N=25	\$78.35	0.20%	1.02%	0.71%	13.21%	\$950
\$3 bn < Pre-Tax Profit < \$5 bn	N=24	\$32.18	0.09%	0.86%	0.67%	9.63%	\$571
\$2 bn < Pre-Tax Profit < \$3 bn	N=20	\$20.14	0.07%	0.80%	0.69%	11.03%	\$351
\$1 bn < Pre-Tax Profit < \$2 bn	N=31	\$17.05	0.11%	1.08%	0.70%	15.67%	\$657
\$0 < Pre-Tax Profit < \$1 bn	N=45	\$5.61	0.08%	1.33%	1.04%	18.06%	\$547
Pre-Tax Profit < \$0	N=9	\$9.04	0.15%	N/A	N/A	14.41%	\$1,189

NOTES: One company did not provide full data on its total giving, so it is not included in these benchmarking tables, bringing the total number of reported companies to 183. Companies with incomplete data for profit, revenue, and/or employee size are included in the calculations to determine the "All Companies" data of each benchmarking table, but not in the calculations to determine the values in the subsequent rows of each benchmarking table.

## REVENUE

While it is tempting to assume that companies with familiar logos are revenue giants, this is not always the case. Many well-known compa-

nies, particularly those with global brands, may generate less revenue than business-to-business companies that do not invest in building aware-

ness among consumers. Even companies within the same industry and with similar brand recognition may have very different revenue levels.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=183	\$22.10	0.11%	0.91%	0.69%	14.64%	\$628
Fortune 100 Companies	N=63	\$53.02	0.09%	0.96%	0.66%	14.41%	\$639
Revenue > \$100 bn	N=11	\$196.54	0.06%	0.53%	0.53%	14.41%	\$706
\$50 bn < Revenue < \$100 bn	N=26	\$45.16	0.06%	1.00%	0.58%	17.69%	\$478
\$25 bn > Revenue < \$50 bn	N=41	\$36.00	0.11%	1.02%	0.69%	10.80%	\$667
\$15 bn < Revenue < \$25 bn	N=28	\$21.66	0.12%	0.86%	0.79%	13.78%	\$626
\$10 bn < Revenue < \$15 bn	N=20	\$13.21	0.11%	0.70%	0.70%	12.95%	\$878
\$5 bn < Revenue < \$10 bn	N=31	\$12.00	0.14%	0.88%	0.71%	16.10%	\$644
Revenue ≤ \$5 bn	N=23	\$2.91	0.10%	0.78%	0.64%	21.43%	\$559

## EMPLOYEES

Many philanthropic strategies are designed to mesh with corporate culture and provide opportunities for employees to become involved.

However, successfully putting theory into practice depends largely on the number of employees at a company, the skill mix among the employee

base, and the workforce's geographical distribution.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=183	\$22.10	0.11%	0.91%	0.69%	14.64%	\$628
Fortune 100 Companies	N=63	\$53.02	0.09%	0.96%	0.66%	14.41%	\$639
Employees > 100,000	N=43	\$66.80	0.11%	1.17%	0.75%	14.52%	\$345
50,001 ≤ Employees ≤ 100,000	N=29	\$44.72	0.13%	0.90%	0.67%	16.06%	\$630
30,001 ≤ Employees ≤ 50,000	N=28	\$20.16	0.08%	0.99%	0.60%	10.82%	\$549
20,001 ≤ Employees ≤ 30,000	N=24	\$18.73	0.17%	0.95%	0.64%	11.29%	\$841
10,000 ≤ Employees ≤ 20,000	N=27	\$9.56	0.13%	0.87%	0.61%	11.15%	\$800
Employees < 10,000	N=31	\$3.50	0.08%	0.64%	0.64%	20.98%	\$957

# CORPORATE GIVING IN AN ECONOMIC DOWNTURN

## KEY FINDINGS IN THIS SECTION:

### ▪ **Divergent Paths Since the Downturn**

Exactly half of the companies gave more in 2010 than they did before the economic downturn in 2007. The polarity of corporate responses since the downturn reflects the myriad ways in which corporate giving programs react to economic uncertainty, growing community need, and budget-setting processes. *See page 13.*

### ▪ **Profit Reports Are Mixed**

While 69% of companies reported increased pre-tax profit from 2009 to 2010, less than half reported 2010 pre-tax profits greater than those of 2007. *See page 12.*

### ▪ **Dramatic Rise in Non-Cash Giving**

Aggregate non-cash contributions have risen by 39% since 2007, driven primarily by contributions from pharmaceutical companies donating medicine to those in need. *See page 16.*

### ▪ **Cash Makes a Partial Comeback**

The majority of companies gave more cash in 2010 than they did in 2009, due largely to increased funding to disaster relief and greater support for corporate grant programs. However, not all companies are giving as much cash as they did before the downturn: 53% of companies gave less cash in 2010 than they did in 2007. *See page 17.*

## UNDERSTANDING CHANGES IN GIVING

Each year, this report begins by focusing on changes in giving. In years past, it was sufficient to draw comparisons to previous year results. However, given the turbulent nature of the economic downturn and its aftermath, the more relevant question for this year's report is: *How has corporate giving changed since the economic downturn began, and why?*

Increased community need, rising unemployment, and ongoing economic uncertainty have certainly been factors in the changing levels of corporate community investment. However, the internal company-specific factors are just as important, as giving budgets are often determined by unique algorithms and distinct priorities.

A thorough exploration of these topics provides a baseline to understand better how and why corporate giving levels have changed.

## UNEMPLOYMENT AND NEED REMAIN HIGH

Since the economic downturn began, unemployment figures have climbed to unprecedented heights. The U.S. Bureau of Labor Statistics reported that the U.S. unemployment rate grew from 4.6% in 2007 to 9.6% in 2010. In CECF's sample data from 2007 to 2010, 47% of companies increased their workforce, 3% maintained the same number of employees, and 50% reduced their workforce (N=110). Even for those 47% that employed a larger workforce in 2010 than in 2007, the median percentage change in employee size was only 14% (N=52).

Community needs also continued to escalate. In 2010, 68% of U.S. nonprofits participating in a GuideStar survey reported increased demand for services, while only 36% of nonprofits reported increased funding (*The Nonprofit Research Collaborative, November 2010 Fundraising Survey*).

## PROFITS REBOUND, BUT NOT FULLY

Since the financial crisis affected companies at different times, recovery has not been uniform—in magnitude or timing.

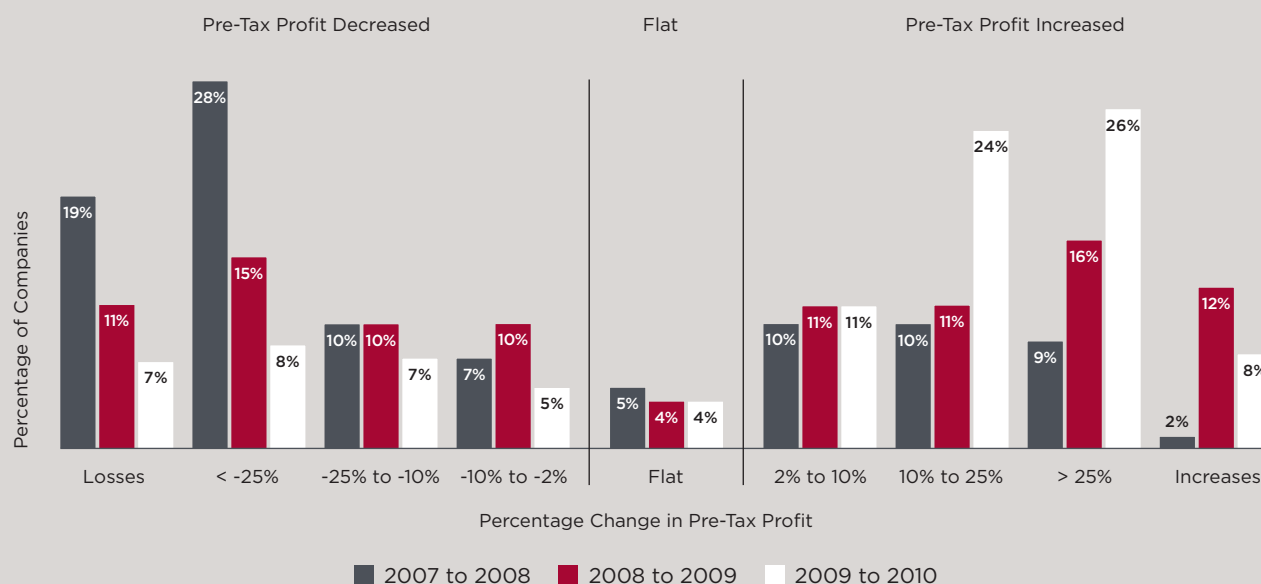
As shown in Figure 1, while most companies reported decreased profit in 2008, the situation seemed to reverse in 2009 and 2010 as more companies reported increased profits. See the *Calculations* section on page 43 for definitions of "Losses" and "Increases." However, despite recent gains, not all companies have been able to recover pre-downturn profit levels. In fact, 54% of companies reported lower profit in 2010 than in 2007 (N=104).

Regarding timing: In the CECF sample, based on the percentage of companies in each industry reporting reduced profits, the Consumer Discretionary, Consumer Staples, and Financial industries were more negatively impacted from 2007 to 2008, whereas the Industrials and Information Technology industries were more negatively affected from 2008 to 2009. A majority of companies in all industries reported increased pre-tax profit from 2009 to 2010.

FIGURE 1

N=104 MATCHED-SET DATA

### Distribution of Companies by Pre-Tax Profit Change, Inflation-Adjusted



## EXTREME CHANGES IN GIVING SINCE 2007

Since 2007, as the profit and work-force data attest, some companies have expanded, while others have cut back. This division also exists in the levels of corporate community investment. In 2010, 53% of companies gave more than they did before the economic crisis began in 2007.

Figure 2 below details the inflation-adjusted change in total giving among companies from 2007 to 2010. Fifty percent of companies gave more in 2010 than in 2007, 45% gave less, and 5% remained “flat”—i.e., their giving levels fluctuated by less than 2%.

The most striking result in Figure 2 is the polarity of responses since 2007: A quarter of companies increased giving by more than 25%, while 21% reduced contributions by more than 25%.

## DETERMINING GIVING BUDGETS

The algorithms used to determine corporate giving levels are as varied as the companies themselves. For some, budget formulas are based on metrics of corporate financial performance, like previous-year profit levels, profit forecasts, multi-year profit averages, and/or regular reports on the current year’s figures. For others, the budgeting process takes into consideration additional factors, such as size of customer base, number of employees, philanthropic activity by peers, historical giving levels, community need, and multi-year commitments.

## RATIO OF GIVING TO PROFIT

Due to this variety of budget-determining factors, not all companies with decreased profit reduced giving and vice versa. In 2010, 68% of the companies that reported profit *reductions* nevertheless *increased* their total giving.

Still, for many companies, the ratio of giving to pre-tax profit is an important benchmark. Accordingly, median ratios of giving to pre-tax profit for the last four years are provided here (N=77):

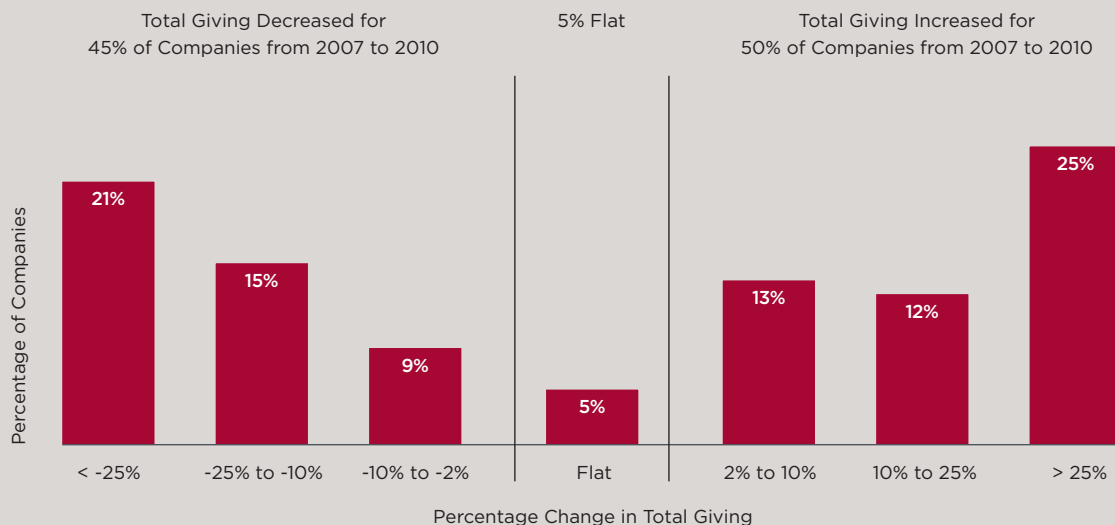
- 2007 = 0.99%
- 2008 = 1.23%
- 2009 = 1.13%
- 2010 = 1.04%

Median ratios spiked in 2008 due to decreased profit and then withdrew as profits began to rise in 2009 and 2010.

FIGURE 2

N=110 MATCHED-SET DATA

### Distribution of Companies by Changes in Total Giving from 2007 to 2010, Inflation-Adjusted





## DISTRIBUTION BY CHANGES IN GIVING

The divergent paths of corporate giving levels since the downturn can also be illustrated through a year-over-year analysis. Figure 3 details the inflation-adjusted change in total giving among companies from 2007 to 2008, 2008 to 2009, and 2009 to 2010.

The major trends indicated by Figure 3 are as follows (N=110):

- From 2007 to 2008: While sharp profit decreases were reported, any residual impact on corporate giving budgets had yet to be felt by a majority, as 62% either increased giving or remained flat.
- From 2008 to 2009: The majority of companies gave less: 58% decreased total giving, most of them by 10% or more.
- From 2009 to 2010: The trend reversed, with 59% of companies increasing total giving, most of them by 10% or more.

Median total giving rose only 1% from 2009 to 2010.

## INVESTIGATING THE UNDERLYING TRENDS

Qualitative responses to the CGS Survey, as well as CECF's longstanding relationships with corporate giving officers, enable CECF to provide a nuanced answer to why corporate giving changed from 2009 to 2010. *See page 15 for a summary of the top reasons provided by giving professionals for both increased and decreased giving.*

## COMPONENTS OF TOTAL GIVING

In the CGS Survey, total giving is comprised of the following three types of giving:

- Direct Cash:** Cash giving from corporate headquarters or regional offices.
- Foundation Cash:** Cash contributions from the corporate foundation.
- Non-Cash:** Product donations, pro bono service, and other non-cash contributions (computers, land, etc.) assessed at Fair Market Value (FMV).

Changes in these three types of giving influence changes in a company's overall contributions level.

## CHANGES IN GIVING TYPES

Companies that increased giving from 2009 to 2010 did so primarily through increased contributions of direct cash. Median percentage changes of each giving type for companies that increased giving were as follows:

- Direct Cash = +22%
- Foundation Cash = +6%
- Non-Cash = +7%

*See page 17 for a more detailed explanation of changes in cash contributions.*

Companies that decreased giving from 2009 to 2010 did so primarily through reductions in non-cash contributions. Median percentage changes of each giving type for companies that decreased giving were as follows:

- Direct Cash = -2%
- Foundation Cash = -3%
- Non-Cash = -22%

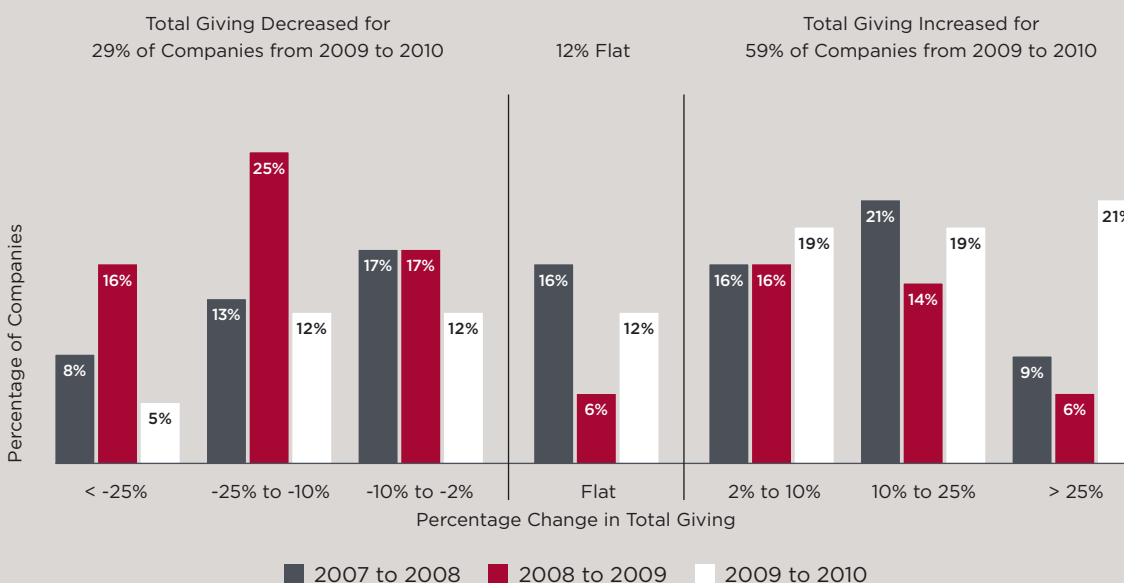
*See page 16 for additional insights on changes in non-cash giving.*

The sample size for the changes in giving types listed above accords with that of Figure 3.

FIGURE 3

N=110 MATCHED-SET DATA

### Distribution of Companies by Changes in Total Giving, Inflation-Adjusted





## REASONS FOR INCREASED GIVING

### Financial Performance

For many companies, a brighter financial outlook resulted in larger giving budgets. And while many foundation endowments were shaken in 2009, several companies noted increased or resumed foundation budget levels.

### Mergers and Acquisitions

In 2010, 9% of surveyed companies reported acquisitions or mergers that were significant by industry standards. Combining corporate entities often results in giving budgets that are much bigger than those of the formerly unmerged companies. Newly combined companies often opt to support their pre-merger grant recipients until new giving strategies are developed.

### Medicine to Those in Need

In 2010, pharmaceutical companies invested more through their Patient Assistance Programs (PAPs), which provide medicine to individuals with no or inadequate insurance. Some pharmaceutical companies developed programs specifically for the recently uninsured. *See page 16.*

### Funding New Programs

Funding for pilot programs or new initiatives resulted in increased contributions from several companies. The use of pilot programs represents a relatively new attitude toward giving, reflecting a desire to test a program before committing more resources. *See page 17.*

### Above-Budget Disaster Funding

The large-scale international disasters of 2010 prompted many companies to provide above-budget funding for relief and recovery efforts. Companies most frequently referenced funding for the Haitian earthquake, but also noted support for the floods in Pakistan, the earthquake in Chile, the BP Oil Spill, and Hurricane Alex in the Gulf of Mexico—as well as continued support for the Sichuan province of China, which is still recovering from the earthquake of 2008. Disaster support is unlikely to recede in 2011, as the year began with the earthquake and tsunami in Japan. *See pages 21 and 22.*

### More Giving to Strategic Areas

As companies focus more exclusively on program areas that address both business goals and societal needs, they often give more to the particular programs that best reflect these priorities. *See page 22.*

### Greater Participation in Matching Gifts

Increased employee participation in matching gifts drove the corporate contribution higher. Increased participation was facilitated by the addition of new disaster-relief matching programs and by the inclusion of more eligible employees. *See pages 26 and 27.*

### Improved Administration of Grants

Investments in grant-management systems often result in the appearance of increased giving as the new technology enables staff to capture contributions more accurately. In addition, several companies implemented new or refined reporting protocols for different business units and geographic regions.

## REASONS FOR DECREASED GIVING

### Economic Uncertainty

For some companies, lower financial projections and a general climate of economic uncertainty led to a reduction in corporate giving budgets in 2010. Other companies cited workforce- or operations-related reductions as having precipitated budget cuts. *See page 12.*

### One-Time Donations

A donation of company property made one year but not the next often results in a reduction of total giving. Such donations, which tend to represent unplanned opportunities, typically result in an apparent giving “spike,” followed by a decline. *See page 16.*

### Reduction in Product Donations

Forced by economic factors to streamline their operations, several Manufacturing companies cited improved plant efficiencies that resulted in a reduction of product available for donation. *See page 16.*

### Focus on Longer-Term Commitments

Some companies took advantage of a difficult economy to re-evaluate their giving priorities and determine how to make the biggest impact with current resources. For some, this assessment gave rise to new multi-year grant commitments and signature programs whose launch preparations drew funds away from other strategies. *See page 17.*

### Matching-Gift Program Changes

For some companies, changes in matching-gift programs caused a reduction in total giving. Some reduced the corporate matching amount, some eliminated certain programs, and some spent less on internal program promotion. Others noted that fewer eligible employees took advantage of matching opportunities, while new restrictions on eligibility prevented some employees from participating at all. *See pages 26 and 27.*

## RISE IN AGGREGATE TOTAL GIVING

From 2007, aggregate total giving, the sum of all giving in the CECIP sample, has risen by 23%. Figure 4 below displays aggregate total giving for a matched set of 110 companies over this time.

A detailed analysis reveals that only ten companies out of the 110 combined to give approximately \$2.0 billion more in 2010 than in 2009. The fact that just a handful of companies can so significantly alter the aggregate with their fluctuations shows the limitations of this calculation, as results are very sensitive to changes at the extremes.

Among those ten companies, five were pharmaceutical companies that significantly increased contributions through their Patient Assistance Programs or invested more into their signature programs. Among the remaining five companies, key reasons for increases included combinations of above-budget funding for disaster relief, development of new signature programs or grant commitments, and increased participation in matching-gift programs.

## IMPACT OF THE HEALTH CARE INDUSTRY

As shown in Figure 4, non-cash giving has grown by 39% since 2007, driving overall aggregate total giving higher. The Health Care industry consistently accounts for approximately three-quarters of total non-cash giving in the CGS sample. Pharmaceutical companies make the largest amount of non-cash donations, largely in the form of medicine.

Among the non-Health Care companies, increases in aggregate non-cash giving were less than those observed for the full sample in Figure 4 (N=95):

- From 2007 to 2008, aggregate non-cash donated by non-Health Care companies increased by 9%.
- From 2008 to 2009, such aggregate non-cash increased by 4%.
- From 2009 to 2010, such aggregate non-cash increased by 11%.

In other words: Without the Health Care industry, aggregate non-cash still rises, but at a more limited percentage rate.

## UNDERSTANDING NON-CASH CHANGES

Year-over-year changes in non-cash contributions can be quite volatile. From 2009 to 2010, 56% of companies either increased or decreased non-cash contributions by 25% or more (N=68).

Among these companies, the most frequently cited reasons for changes in non-cash contributions were:

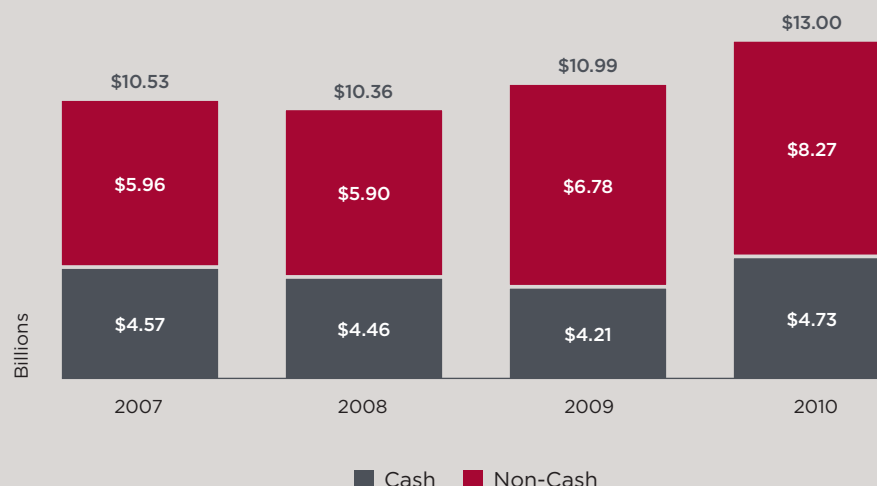
- One-time donations of real estate or company property given in 2009 but not in 2010.
- A reduction in product donations due to increased efficiency and tighter inventory control by manufacturing facilities or distributors.
- The acquisition of a company in 2009 that resulted in considerable product donations that were not repeated in 2010.

Other factors cited for influencing non-cash levels include Fair Market Value fluctuations that affect the availability and affordability of facility donations and changes in pro bono service program offerings.

FIGURE 4

N=110 MATCHED-SET DATA

### Cash and Non-Cash Giving for All Companies, Aggregates, Inflation-Adjusted



### CASH CONTRIBUTIONS BOUNCE BACK

Figure 5 below details the percentage of companies that increased, decreased, or maintained total cash giving over three time periods. Total cash giving includes both foundation cash and direct cash (*defined on page 14*).

From 2008 to 2009, most companies (67%) reduced cash contributions, and 45% did so by 10% or more (N=110). This trend reversed from 2009 to 2010, when a majority of companies (61%) increased cash contributions, and 39% gave 10% or more (N=110).

While cash contributions have rebounded in the aggregate (*see Figure 4*), not all companies have returned to pre-downturn cash contribution levels: 53% of companies gave less cash in 2010 than they did in 2007, with 42% reducing cash giving by 10% or more (N=110).

### EXPLAINING CHANGES IN CASH GIVING

At the Corporate Philanthropy Summit in June 2011, CECF posed a question to the audience of senior corporate giving professionals: *What was the primary reason for cash giving increases at your company from 2009 to 2010?* Eliminating respondents that self-identified as not increasing cash contributions in 2010, the attendees cited these reasons (N=79 corporate giving officers):

- 35% = Increased funding to disaster relief and recovery efforts
- 22% = Increased funding to an existing program
- 15% = Increased funding to a new initiative
- 15% = Better reporting from business units (resulting in the appearance of an increase)
- 13% = Other

Some companies are also now instituting pilot programs in order to test a model before investing in a longer-term commitment.

### INDUSTRY LEADERS IN CASH GIVING

An analysis of cash giving by industry reveals that the median total cash giving for the Energy, Consumer Staples, Financials, Industrials, and Health Care sectors exceeded \$20 million in 2010.

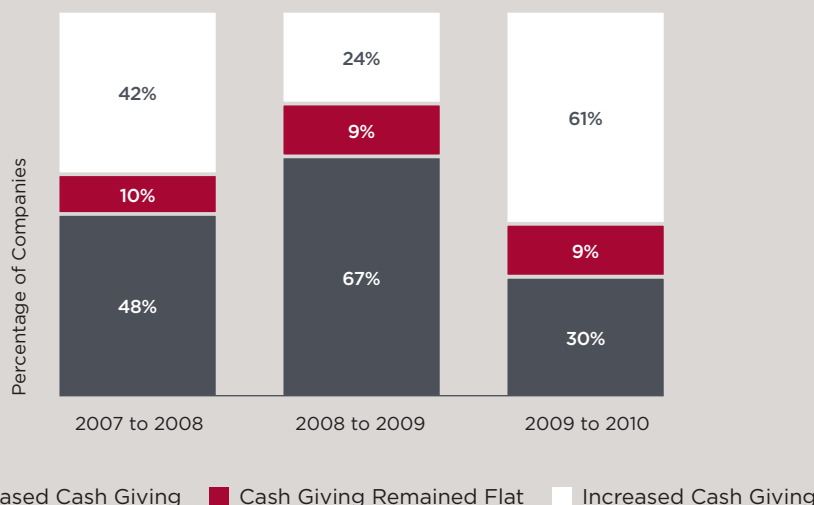
Median cash values for 2010 were as follows:

- Consumer Discretionary (N=22): \$10.69 million
- Consumer Staples (N=17): \$25.00 million
- Energy (N=8): \$31.19 million
- Financials (N=48): \$24.72 million
- Health Care (N=23): \$20.32 million
- Industrials (N=18): \$21.20 million
- Information Technology (N=21): \$12.50 million
- Materials (N=9): \$4.36 million
- Utilities (N=14): \$8.82 million

FIGURE 5

N=110 MATCHED-SET DATA

#### Percentage of Companies Increasing or Decreasing Total Cash Giving, Inflation-Adjusted



## INTRODUCTION TO THE SOURCES

In the spirit of collaboration, CECIP annually compares key findings with three other prominent corporate philanthropy studies to see where alignment and differences occur. These are:

- *Giving USA*: A comprehensive reference for understanding the history and current state of all sources and uses of American philanthropy.
- *The Foundation Center*: The Center maintains an extensive compilation of grantmaking data on more than 95,000 foundations, corporations, and public charities.
- *The Chronicle of Philanthropy*: A report on company-specific corporate giving figures and projections, administered in partnership with USA Today.

Differing sample sizes and valuation standards sometimes inhibit direct comparisons among these sources' findings, but it is still informative to observe their respective analytical approaches and year-over-year trends.

## GENERAL CONSENSUS FOR 2010 RESULTS

Overall, the sources agree: Corporate giving rose from 2009 to 2010. Among the sources that report such changes, aggregate total giving increased by 18.3% in CECIP's study, 10.6% in *Giving USA's*, and 19.7% in *The Chronicle's*. Total cash giving also rose: by 12.5% according to CECIP and by 13% according to *The Chronicle*.

## ANTICIPATING 2011 LEVELS

CECIP, *The Chronicle*, and The Foundation Center report on projections for 2011 giving levels. In order to be more consistent with the other surveys, CECIP removed all "Not able to estimate at this time" answers from its own results. As shown in Figure 6, the Foundation Center's estimates of anticipated 2011 foundation cash levels were more optimistic than CECIP's. Figure 7 illustrates that, regarding total giving, CECIP's projections are more optimistic than *The Chronicle's*.

## CONCLUDING THOUGHTS

With each passing month of 2011, the global economy has seemed increasingly uncertain, and the future decreasingly optimistic. This waning of optimism would seem to be reflected in the staggered publication of each of the data sources' results. The Foundation Center's results were finalized in April, CECIP's in June, and *The Chronicle's* in July—and the projections contained therein certainly hint at an early optimism that became more conservative as time went on.

Thus far, since the downturn, companies have taken diverging paths, reflecting different methods for determining corporate priorities and assessing financial performance, community need, grant commitments, and employee and customer expectations. CECIP looks forward to reporting on how corporate giving levels in 2011 reflect the next stage of corporate behavior in a persistently difficult economic time.

FIGURE 6

Percentage of Companies Predicting How 2011 Foundation Cash Will Compare with 2010 Levels

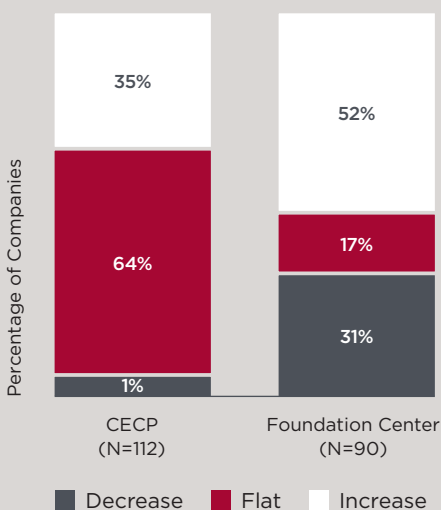
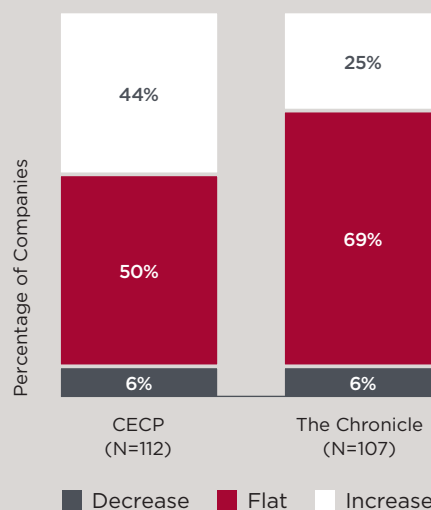


FIGURE 7

Percentage of Companies Predicting How 2011 Total Giving Will Compare with 2010 Levels



# GRANT RECIPIENTS

## KEY FINDINGS IN THIS SECTION:

- **Prioritizing Basic Needs**

In 2010, the typical company prioritized contributions to Health and Social Services, Education, and Community and Economic Development. *See page 21.*

- **Becoming More Focused**

Compared to previous years, in which funding was spread more widely across multiple areas, companies have become more focused with their giving: 33% of companies provided 50% or more of their total funding to one program area in 2010. *See page 22.*

- **Attracting Non-Cash Donations**

Programs serving Health and Social Services and K-12 Education received the highest percentage of average non-cash contributions. *See page 22.*

- **Manufacturing Leads International Giving**

Manufacturing companies contributed close to a quarter of their total giving to international end-recipients. Service companies dedicated significantly less. *See page 24.*

## A MIX OF GIVING TYPES

### DEFINING TYPES OF GIVING

All recipients of corporate giving in the CGS Survey must be 501(c)(3) organizations or the international equivalent. Employee volunteerism, management and program costs, and any non-corporate contributions are not included in total giving figures. As introduced on page 14, the three types of giving defined in the CGS Survey are:

- **Direct Cash:** Cash giving from corporate headquarters or regional offices.
- **Foundation Cash:** Cash contributions from the corporate foundation. For many companies, this includes the corporate side of employee matching-gift programs.
- **Non-Cash:** Product donations, pro bono service, and other non-cash contributions (computers, land, etc.) assessed at Fair Market Value (FMV).

### DIFFERENCES BY INDUSTRY

Figure 8 displays the average allocations of giving types by industry for 2010. Manufacturing companies, on average, provide close to a third of their total funding in the form of non-cash contributions, whereas Service companies dedicate only 12% in non-cash contributions. For Service companies that typically do not donate product, non-cash contributions are usually donations of land or property, use of facilities or space, or pro bono service.

Some industries, like Energy, Materials, Information Technology, and Utilities, provide more than 50% of their funding in the form of direct corporate cash. In contrast, the Financial and Industrial industries depend more heavily on their foundations, with more than 50% of their funding coming from this source.

### CASH RANKED MOST IMPORTANT

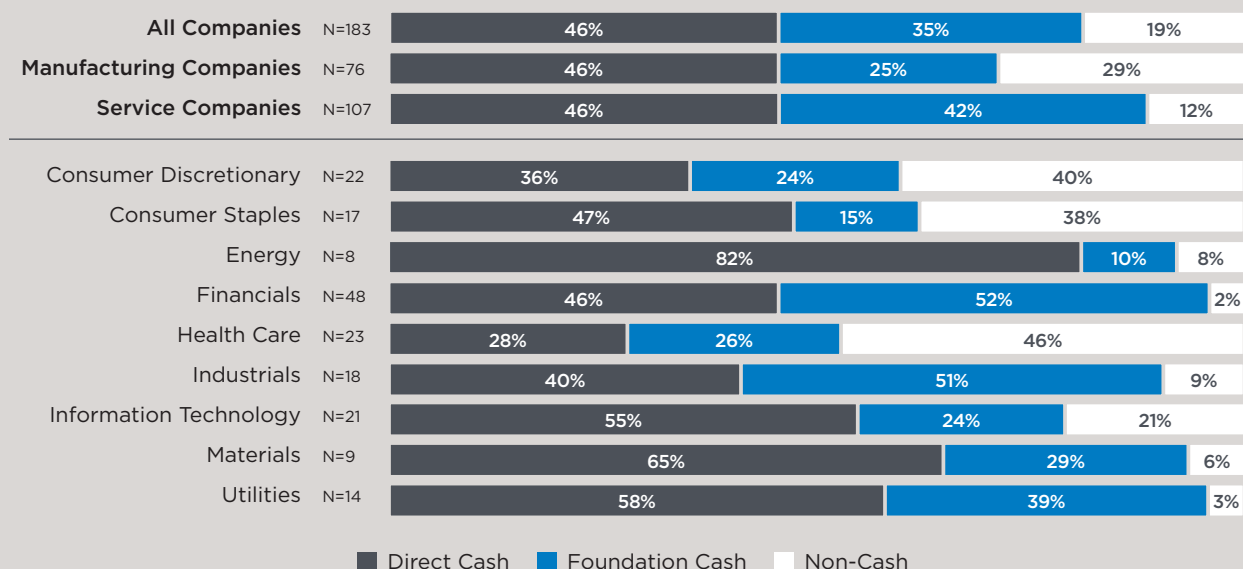
In this year's survey, CGS respondents were asked the following question: *"Which corporate resource has the great-est potential to help address social issues?"* (N=131):

- 53% = Cash contributions
- 21% = Employee volunteers
- 13% = Pro bono service
- 8% = Other
- 4% = Product donations
- 1% = Distribution channels

These responses clearly represent two schools of thought. The importance of cash contributions to nonprofit partners is critical and companies recognize the importance of these donations, particularly in a difficult economy. However, nearly half of the respondent companies seemed to acknowledge that they have unique resources: product and human capital that distinguish them from other donors and represent tremendous philanthropic potential to nonprofit partners.

FIGURE 8

#### Industry Breakdown of Total Giving by Funding Type, 2010, Average Percentages





## TYPICAL ALLOCATIONS BY INDUSTRY

In the CGS Survey, respondents classify their total giving into nine program areas, defined on page 45 in “Definitions.”

Figure 9 details the percentage breakdown of total giving to each program area by industry. The figure excludes data for the Materials and Telecommunication Service industries, due to small sample sizes. Therefore, the largest funder might actually be an industry that is not displayed.

Relative to industry peers, the industry providing the highest percentage of giving to a particular program area is highlighted.

The data in Figure 9 and in the column at right can be helpful to nonprofit organizations and corporate grantmakers in identifying potential funders and/or collaborators among corporate industry peers.

## TOP FUNDERS BY DOLLAR VALUE

In 2010, the industries providing the highest median dollar amounts for each program area are shown below (sample sizes accord with those in Figure 9):

- Civic and Public Affairs = Energy companies, \$0.96 million
- Community and Economic Development = Energy companies, \$7.44 million
- Culture and Arts = Energy companies, \$2.73 million
- Disaster Relief = Consumer Staples companies, \$0.71 million
- Education: Higher = Industrial companies, \$5.24 million
- Education: K-12 = Financial companies, \$4.75 million
- Environment = Energy companies, \$2.38 million
- Health and Social Services = Health Care companies, \$20.31 million

## INDUSTRY DIFFERENCES

Financial institutions, particularly those with retail segments, are strong supporters of local community programs, which are highly visible to customers and staff. Since Utility companies are typically rooted in local communities and invested in pursuing sustainable energy policies, they tend to support programs that address Civic and Environmental concerns.

Supporting Higher Education is a natural fit for Information Technology companies, as the future of their workforce depends on recruiting well-trained graduates. Moreover, current employees appreciate corporate gift-matching to their alma maters and non-cash donations of technology can facilitate and improve classroom learning.

Finally, Health Care companies utilize their products, services, and medical expertise to align with programs serving Health and Social Services.

FIGURE 9

### Program Area Allocations by Industry, 2010, Average Percentages

	Civic & Public Affairs	Community & Economic Development	Culture & Arts	Disaster Relief	Education: Higher	Education: K-12	Environment	Health & Social Services	Other
All Companies N=119	4%	14%	5%	4%	11%	14%	4%	30%	14%
Consumer Discretionary N=15	5%	9%	4%	2%	4%	20%	4%	29%	23%
Consumer Staples N=10	2%	8%	3%	3%	10%	11%	5%	45%	13%
Energy N=7	6%	22%	6%	3%	20%	16%	5%	14%	8%
Financials N=34	4%	24%	7%	4%	9%	19%	1%	16%	16%
Health Care N=17	2%	2%	2%	5%	6%	4%	0%	75%	4%
Industrials N=8	3%	6%	5%	6%	14%	19%	6%	21%	20%
Information Technology N=11	6%	10%	6%	9%	21%	16%	1%	23%	8%
Utilities N=11	8%	12%	7%	0%	10%	10%	14%	16%	23%

## GIVING TYPES BY PROGRAM AREA

Companies provide certain types of donations to specific program areas. These distinctions are outlined in Figure 10 below.

On average, Health and Social Services and K-12 Education programs received the highest percentage of non-cash, as these focus areas are particularly conducive to utilizing different types of product donations, namely medicine and technology.

Disaster Relief, Higher Education, and K-12 Education programs received the highest percentage of foundation cash, which might be attributed to the fact that these program areas are often targeted recipients of matching-gift programs, a majority of which are run through corporate foundations. *See page 26.*

## BECOMING MORE TARGETED

Overall, in 2010, corporate giving programs continued to become more targeted, with companies focusing on one or two social issues rather than electing to spread funding widely across multiple areas. Within a matched set of companies from 2009 to 2010, the percentage of companies reporting 50% or more in total giving to one program area (N=98) was:

- 24% of companies in 2009
- 33% of companies in 2010

Among companies that target 50% or more of their funding to a particular area, Health and Social Services programs appear to be a key focus. Community and Economic Development and Education programs were also cited as programs receiving considerable targeted funding.

## YEAR-OVER-YEAR TRENDS

Each year, the average allocations of giving by program area change very minimally. From 2009 to 2010, the average allocation of funding to all program areas remained within +/-1% of the prior year value with the exception of:

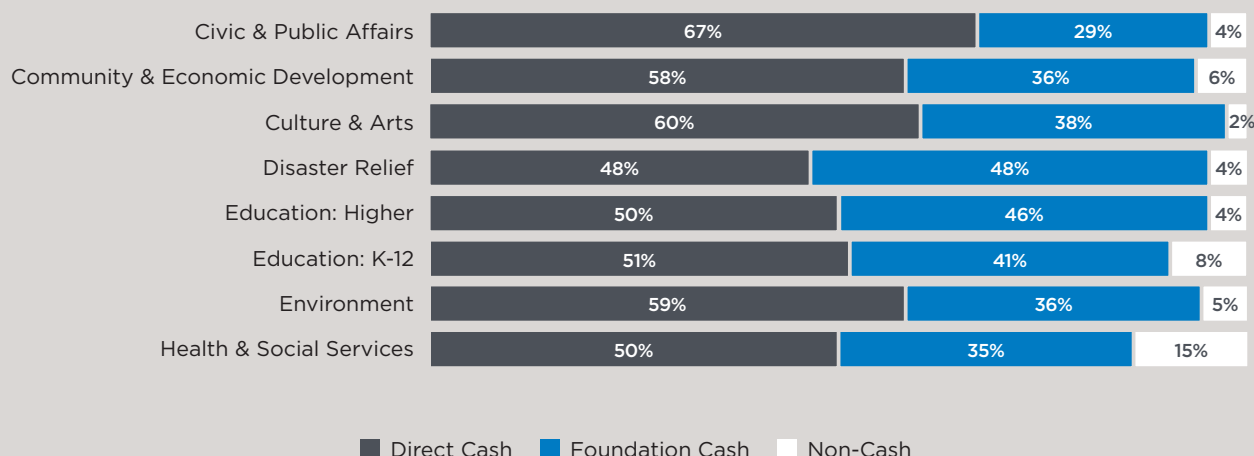
- Disaster Relief: Increased from 1.2% to 2.9%
- Education: K-12: Increased from 12.9% to 14.0%
- Health and Social Services: Increased from 28.3% to 31.2%
- Other: Decreased from 15.8% to 11.8%

The “Other” category includes contributions that respondents deem outside the main beneficiary categories or for which the recipient is unknown. Since the percentage of funding directed to the “Other” category was significantly reduced in 2010, direct comparisons between years are more challenging, as changes cannot necessarily be attributed to new programming as opposed to re-classified programming.

FIGURE 10

N=119

### Types of Giving by Program Area, 2010, Average Percentages





## GIVING DOMESTICALLY AND ABROAD

In the CGS Survey, domestic and international recipients are defined as follows:

- **Giving to Domestic Recipients:** Corporate giving that benefits recipients within the corporate headquarters country.
- **Giving to International Recipients:** Corporate giving to recipients outside the corporate headquarters country.

The five geographic regions listed in Figures 11 and 12 below are explicitly defined in the CGS Valuation Guide.

Internationally headquartered companies reported their domestic and international giving for the first time in the survey on 2009 contributions. Due to a low response rate in the most recent survey, however, the analysis of international giving in this section is limited to U.S.-headquartered respondents only.

## GIVING BY GEOGRAPHIC REGION

The CGS Survey asks respondents to categorize total giving by geographic region. Informed by a very high response rate for a second year in a row (responses grew from 58 companies in 2009 to 105 in 2010), Figures 11 and 12 detail the average allocation provided to each geographic region for Manufacturing and Service companies.

As shown in Figure 11, Manufacturing companies, which typically give a greater percentage of total giving to international end-recipients, provided more to Asia and the Pacific and the Middle East and Africa. By contrast, Figure 12 shows that the international giving from Service companies appears to be slightly more focused on Latin America and the Caribbean, as well as on Europe.

## ADVANCING A GLOBAL STANDARD

To report more extensively and accurately on global funding flows, CECF with assistance from Deloitte is working to create a single, practical definition for what constitutes a corporate charitable contribution (currently there is no international consensus as to what constitutes a charitable organization, as each country has its own laws and standards).

While the new definition will be based on extensive tax, financial, and regulatory research, the definition is meant to be practical but not legal in nature.

The goal of the project is for global companies to collect and report their charitable giving in accordance with this definition in order to capture more accurately their own aggregate total giving figures and to benchmark like contributions with global peers more reliably. For more information, please visit [CorporatePhilanthropy.org/cgs](http://CorporatePhilanthropy.org/cgs).

FIGURE 11

N=39

### Manufacturing Companies' Typical Allocation of Giving by Geographic Region, 2010, Average Percentages

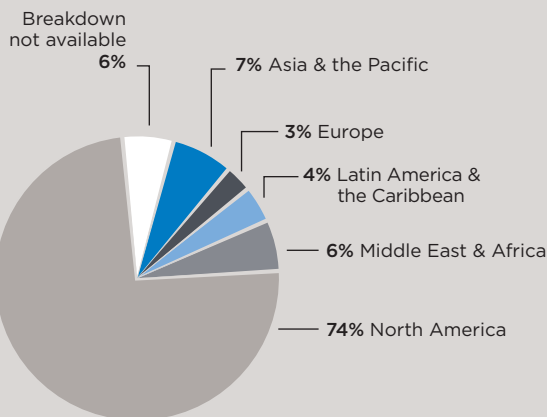
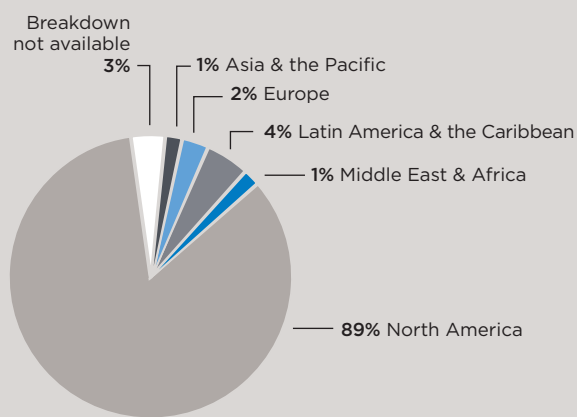


FIGURE 12

N=63

### Service Companies' Typical Allocation of Giving by Geographic Region, 2010, Average Percentages



## MANUFACTURING AND SERVICE COMPANIES

Manufacturing companies consistently dedicate more than one-quarter of their total giving budgets to international end-recipients. The average percentage of total giving provided to international recipients was:

Manufacturing Companies (N=28):	Service Companies (N=41):
2007 = 26.0%	2007 = 4.8%
2008 = 27.9%	2008 = 6.1%
2009 = 25.4%	2009 = 6.6%
2010 = 25.3%	2010 = 6.9%

One explanation may be that, when operating abroad, Manufacturing companies often utilize larger amounts of raw materials, consume greater space with factories and production centers, and rely on local infrastructure. For 2010, they also reported that an average of 50% of total revenue was generated abroad compared to an average of 16% among Service companies (N=28, N=41, respectively).

## ALLOCATIONS BY INDUSTRY

The average percentages shown in Figure 13 highlight that international giving as a percentage of total giving varies significantly by industry.

In previous years, the Health Care industry reported the highest percentage of giving to international recipients; however, in the most recent survey, more Health Care service companies with domestic-only grant-making priorities participated, thus lowering the average percentage for this group.

Similarly, most Utility companies in the survey operate solely within the U.S.; accordingly, their giving is primarily domestic.

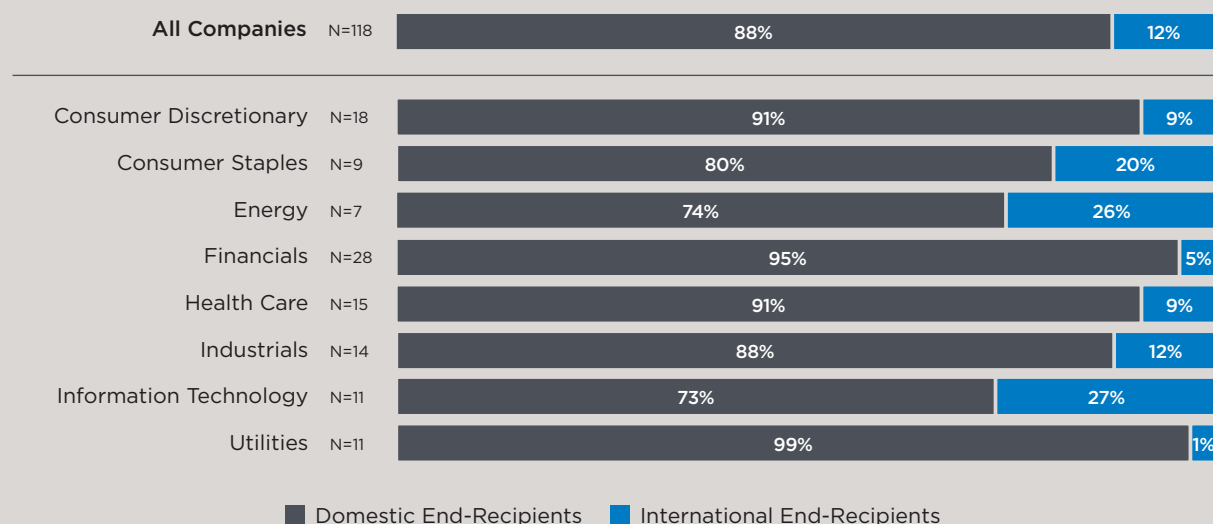
## INTERNATIONAL GIVING RELATIVE TO REVENUE

The level of international corporate community investment is often relative to the percentage of business generated abroad. Companies that give more internationally are more likely to be receiving greater percentages of revenue from international sources and, accordingly, to feel a connection and obligation to ensure the long-term success of these communities. In 2010:

- Companies that gave more than 20% of total contributions to international recipients generated, on average, 52% of total revenue abroad (N=25).
- Companies that gave between 5% and 20% of total contributions to international recipients generated, on average, 38% of total revenue abroad (N=27).
- Companies that gave less than 5% of total contributions to international recipients generated, on average, 21% of total revenue abroad (N=29).
- Companies that gave 0% of total contributions to international recipients generated, on average, 13% of total revenue abroad (N=37).

FIGURE 13

### International Giving as a Percentage of Total Giving, 2010, Average Percentages



# EMPLOYEE AND STAKEHOLDER ENGAGEMENT

## KEY FINDINGS IN THIS SECTION:

- **Majority Offer Matching-Gift Programs**

In 2010, 94% of companies offered at least one matching-gift program, with matching-gift contributions comprising a median of 15% of total cash giving. *See page 26.*

- **Matching-Gift Contributions Increase**

From 2009 to 2010, 57% of companies increased their cash contributions on account of three main factors: increased employee participation, raised caps on the corporate matching limit, and the addition of new programs. *See page 26.*

- **New Disaster Matching Programs**

In 2010, 40 companies added a specific disaster-relief matching program that had not been offered in 2009. These programs allowed employees to contribute to the relief efforts for large-scale international disasters, most notably Haiti. *See pages 26 and 27.*

- **No Increase in Number of Paid-Release-Time Programs**

While paid-release-time programs have become a more popular employee-volunteer program offering over the past few years, the percentage of companies offering such programs remained at 69% from 2009 to 2010. *See page 30.*

- **Fundraising Campaigns Generate Most from Non-Employees**

Among funds raised from employees, customers, vendors, suppliers, and nonprofit partners, the highest median dollar amount originated from non-employees, largely driven by customer-facing campaigns conducted by Service companies. *See page 31.*

## MATCHING-GIFT PROGRAMS

CECP includes the corporate side of matching gifts in a company's total giving, but not the employee side, which is recorded separately (*see page 31*). The types of matching-gift programs detailed in the CGS Survey are detailed below:

- **Workplace Giving Campaigns:** Include fundraising drives, such as United Way campaigns, that occur for a defined time period.
- **Year-Round Policy:** Giving that is not driven by a specific time-based corporate campaign.
- **Dollars for Doers:** Include corporate or foundation giving to nonprofits in recognition of employee-volunteer service to that organization.
- **Disaster Relief:** Matching programs benefiting nonprofits assisting with disaster-related crisis relief, recovery, rebuilding, and/or preparedness.
- **Other:** Any matching program not specified in the categories above.

## MATCHING AS A PERCENTAGE OF CASH GIVING

In 2010, 94% of companies offered at least one matching-gift program with median total matching of \$1.70 million (N=170). Matching gifts comprised a median of 10% of a typical company's total giving and 15% of total cash giving (N=159).

As matching-gift programs compete with other cash grantmaking budgets, Figure 14 illustrates the percentage of total cash giving allocated for these programs. The Telecommunications sector is excluded due to small sample size.

There are varying mentalities around corporate matching-gift programs. On the one hand, matching-gift programs can be instrumental in attracting and retaining employees, as they foster goodwill and increase employee engagement. On the other hand, matching-gift programs may be considered insufficiently strategic, diverting corporate funding from identified priorities if they are structured as open programs where any 501(c)(3) qualifies for donations.

## YEAR-OVER-YEAR TRENDS

Adjusting for inflation, year-over-year trends show that (N=133):

- 57% of companies increased the dollar amounts contributed to matching-gift programs from 2009 to 2010.
- Median matching increased slightly, from \$1.67 million to \$1.70 million.
- In 2010, 40 companies added a specific disaster-relief matching program that had not been offered in 2009.

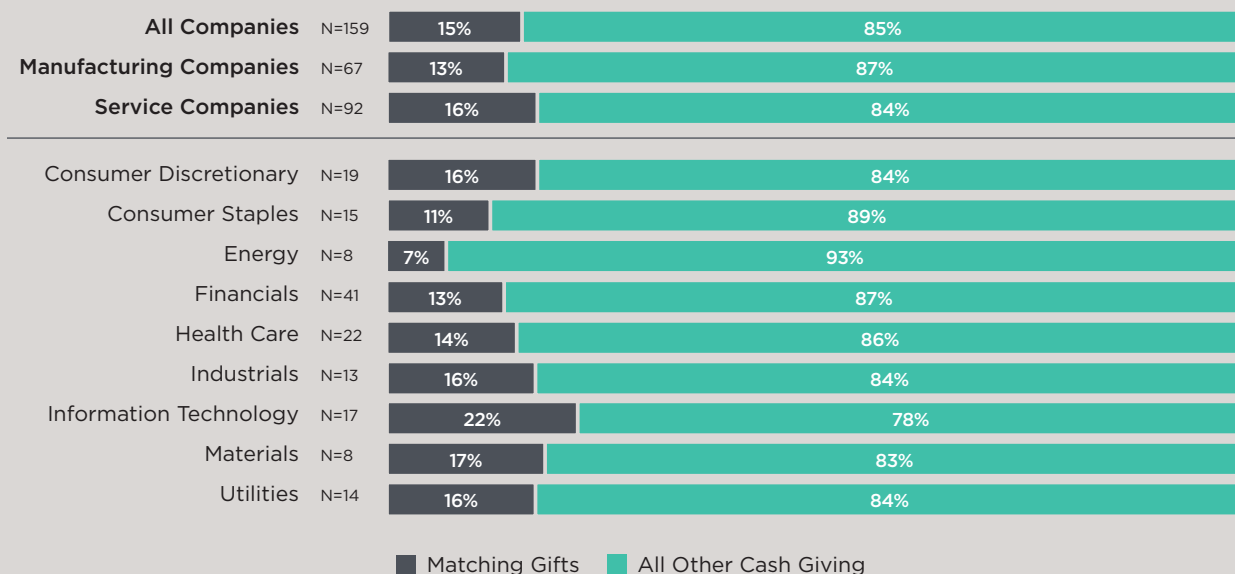
The average percentage of matching funds dedicated to disaster-specific matching programs increased from 1% in 2009 to 7% in 2010, reflecting a shift in priorities as companies quickly established mechanisms for employee donations (N=133).

## CORPORATE FOUNDATIONS

Among companies reporting the breakdown of their matching-gift programs, 65% conducted at least part of the match through the corporate foundation (N=159). Within that group, 69% used the foundation exclusively while the remaining 31% used a combination of foundation and direct cash (N=103).

FIGURE 14

### Matching Gifts as a Percentage of Cash Giving, 2010, Medians



## PROGRAM POLICIES AND SPECIFICATIONS

Figure 15 displays the matching-gift program allocation for a typical company in 2010. Frequently implemented policies for the matching-gift programs are detailed below, based on corporate responses to the 2010 survey:

### Year-Round Policy:

- **Eligibility:** Often limited to full-time employees who have worked at least one year. Retiree participation is often allowed, although sometimes with reduced caps and matching ratios.
- **Median percentage of employees participating:** 11% (N=17).
- **Ratio:** Most offer a 1:1 match.
- **Caps:** Most programs require a \$25-50 minimum gift and have a per-employee maximum donation of \$5,000. Some companies reported annual matching limits as high as \$50,000. Separately, some companies specify higher caps for members of the Board and Senior Executives.
- **Mission:** Some companies match contributions only to Education, Health, or Culture and Arts.

### Workplace Giving Campaigns:

- **Eligibility:** Often limited to full-time employees. Some companies match only to United Way.
- **Median percentage of employees participating:** 47% (N=22).
- **Ratio:** Most offer a 1:1 match, with 2:1 matches cited for particular campaigns.
- **Caps:** The most common limit is \$5,000 per employee.
- **Focus:** Typically limited to non-religious, non-fraternal, 501(c)(3) organizations.

### Dollars for Doers:

- **Eligibility:** Often open to full- and part-time employees. Some specify certain geographies or employee classifications.
- **Median percentage of employees participating:** 7% (N=9).
- **Ratio:** Approximately \$10 per every eligible hour of volunteer service, usually at a fixed amount (e.g., \$500 for 50 hours). It is now increasingly common to see corporate matches of \$20 or more per hour of service.

- **Caps:** While an annual limit of \$1,000 per employee is common, the range of limits in 2010 was \$250 to \$12,000.

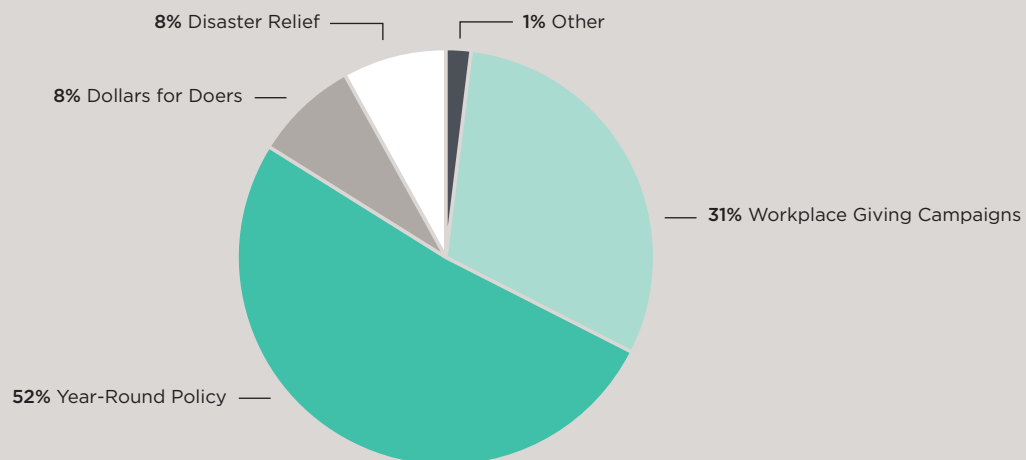
### Disaster-Relief Matching Programs:

- **Eligibility:** While many companies were open to participation by both full-time and part-time employees, some restricted eligibility to one category or the other.
- **Median percentage of employees participating:** 13% (N=6).
- **Ratio:** Most offer a 1:1 match, with some companies offering 2:1 or 3:1 matches for specific large-scale international disasters.
- **Caps:** While an annual limit of \$5,000 per employee is common, some companies determine the match limit on an incident-by-incident basis.
- **Program specifics:** Some companies match only to particular disasters, and some provide matching funds only to specific organizations identified by the company.

FIGURE 15

N=159

### Typical Matching-Gift Program Allocation, 2010, Average Percentages



## UNIQUE CHARACTERISTICS OF PRO BONO SERVICE

Pro bono service is distinct from other forms of skills-based employee engagement in the following three ways:

- **Commitment:** The company is responsible for staffing the project, ensuring its completion and quality, and applying the highest professional standards to the engagement.
- **Professional Services:** Participating employees must use their core job skills as specified in their official job descriptions. Projects that utilize only a portion of an employee's core competencies are considered volunteerism rather than pro bono.
- **Indirect Services:** All services must be provided through a 501(c)(3) organization or the international equivalent.

Based on the inherent differences between pro bono service and other forms of employee engagement, pro bono service is reported in the CGS Survey as non-cash and valued at Fair Market Value (FMV). CECIP's Valuation Guide includes instructions for valuing pro bono service hours at FMV.

## PRO BONO STATISTICS FROM 2010

In 2010, 44 companies reported offering a pro bono service program:

- 28 with domestic programs only
- 16 with domestic and international programs

The percentage of companies in each industry offering pro bono service programs included:

- 18% Consumer Discretionary (N=22)
- 20% Consumer Staples (N=15)
- 0% Energy (N=7)
- 31% Financials (N=42)
- 52% Health Care (N=21)
- 6% Industrials (N=17)
- 56% Information Technology (N=16)
- 14% Materials (N=7)
- 17% Utilities (N=12)

The number of companies reporting pro bono service hours has increased from 13 companies in 2008 to 18 companies in 2010. For 2010, respondents reported a median of 3,611 hours (N=18).

## NON-CASH DIFFERENCES BY INDUSTRY

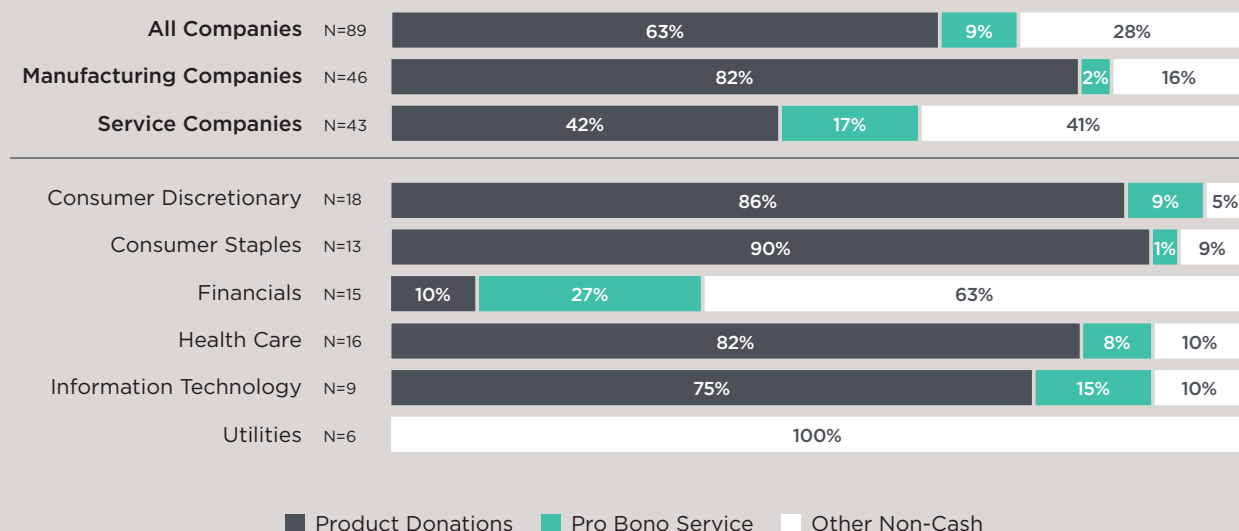
Figure 16 displays the average percentage breakdown of non-cash giving by industry in 2010.

Manufacturing companies provided the majority of their non-cash contributions in the form of product donations, while Service companies provided a greater percentage in pro bono service or "other non-cash," which could include contributions like written-down office equipment, use of company facilities, real estate, and patents.

To reconcile Figure 16 with the data at the left, remember that companies in a particular industry may be more likely to offer pro bono service programs, but still contribute less in pro bono service than they do through their product or other non-cash donation programs. For example, 52% of Health Care companies offered pro bono service programs in 2010, but pro bono service on average comprised only 10% of non-cash giving, due to the enormity of product donations from these companies.

FIGURE 16

### Breakdown of Non-Cash Giving by Industry, 2010, Average Percentages





## TYPES OF VOLUNTEER PROGRAMS

The CGS Valuation Guide defines a formal employee-volunteer program as a planned, managed effort that seeks to motivate and enable employees to volunteer under their employer's sponsorship and leadership.

In 2010, 89% of companies reported having a formal domestic employee-volunteer program while 52% reported at least one formal international volunteer program (N=160):

- 80 companies offered both domestic and international programs.
- 63 companies offered domestic programs only.
- 3 companies offered international programs only.

Figure 17 presents the number of companies offering each type of employee-volunteer program. Dollars for Doers, employee-recognition awards, flexible scheduling, and paid-release time continued to surface as the most frequently offered domestic and international programs.

## COMPANIES OFFERING DOLLARS FOR DOERS

For the past few years, Dollars for Doers has been the most frequently offered employee-volunteer program. Page 27 details the common policies for these programs. While the percentage of Manufacturing and Service companies offering these programs does not differ widely (55% and 59%, respectively), there are some distinctions by industry. The percentage of companies from each industry that offered a domestic Dollars for Doers program in 2010 are as follows:

- 64% = Consumer Discretionary (N=22)
- 60% = Consumer Staples (N=15)
- 43% = Energy (N=7)
- 62% = Financials (N=42)
- 62% = Health Care (N=21)
- 29% = Industrials (N=17)
- 56% = Information Technology (N=16)
- 71% = Materials (N=7)
- 67% = Utilities (N=12)

## MOST SUCCESSFUL PROGRAMS

The CGS Survey asks respondents to indicate the top three most successful domestic and international programs. The most successful domestic employee-volunteer programs in 2010 included, in order:

- Dollars for Doers
- Paid-release time
- Company-wide day of service

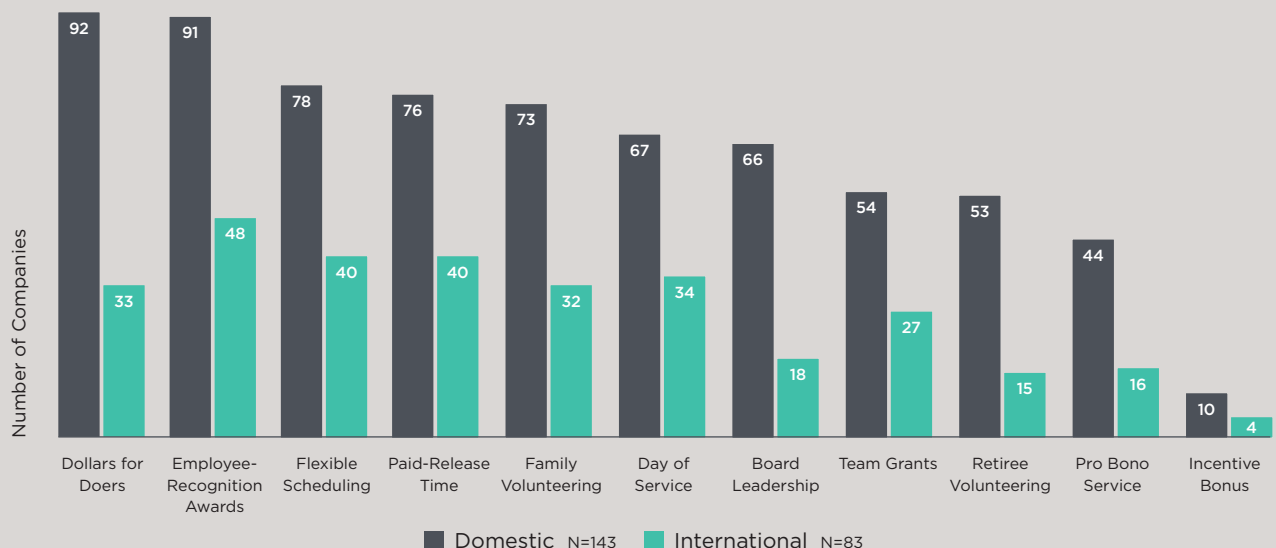
Also listed in order, the three most successful international employee-volunteer programs were:

- Paid-release time
- Company-wide day of service
- Employee-recognition awards

While this metric is skewed to favor programs offered more widely, the results do not exactly match the programs offered most frequently.

FIGURE 17

### Corporate Volunteer Opportunities, 2010, Number of Companies Offering Each Program



## TYPES OF VOLUNTEER OFFERINGS

Paid-release-time programs allow employees to volunteer with a 501(c)(3) organization during a normal paid work schedule. Accordingly, their employer incurs costs for the time they spend away from the office.

- 59% of companies offered a formal paid-release-time program (N=117).
- 46% of companies had a formal system to track paid-release-time hours (N=117).
- The median number of paid-release-time hours was 23,066 (N=77).

Outside-company-time volunteer programs are organized or sponsored by the volunteer's employer but occur outside the normal work schedule, so the employer incurs no compensation costs.

- 52% of companies offered a formal outside-company-time program (N=117).
- 51% of companies had a formal system to track these hours (N=117).
- The median number of outside-company-time hours was 17,141 (N=80).

## PAID-RELEASE-TIME POLICIES

In 2010, the median percentage of employees who volunteered at least one hour throughout the year on company time was 25% (N=74).

Within the CGS Survey, there were several different types of paid-release-time policies reported, varying by the amount of time granted to employee volunteers. Examples of common company policies are as follows:

- 38% based on hours per year (N=14). Policies ranged from 3 to 40 hours per year.
- 22% based on days per year (N=8). Policies ranged from 1 to 6 days per year.
- 19% based on manager's discretion (N=7).
- 8% of company policies were based on hours per month (N=3). Policies ranged from 4 to 6 hours per month.
- 8% based on months per year (N=3). These companies referenced 3-to-6-month-long sabbatical programs.
- 5% based on hours per week (N=2).

## DETERMINING THE RIGHT POLICY

The appropriate policy for a company should reflect the company's commitment to volunteerism and the community, but should also take into account the nature of the business and the accepted metrics for time away from a normal paid work day.

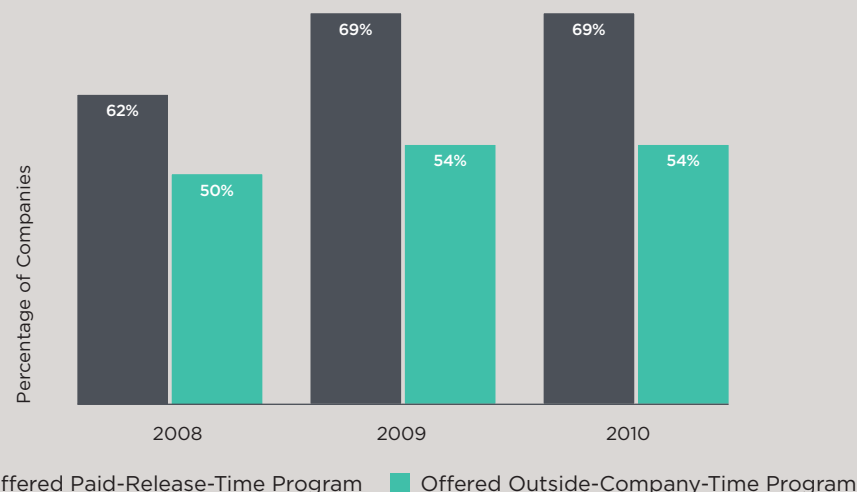
## CHANGES OVER TIME

As shown in Figure 18, analysis over a three-year period reveals that paid-release-time programs became more widespread among corporate employee-volunteer offerings from 2008 to 2009, but the number of companies offering such programs plateaued from 2009 to 2010. Given the ongoing economic uncertainty, heightened scrutiny on employee and operational efficiency may have dissuaded some companies from instituting new programs allowing paid time off.

FIGURE 18

N=74 MATCHED-SET DATA

### Percentage of Companies with Paid-Release-Time and Outside-Company-Time Volunteer Programs





## COMPANIES AS FUNDRAISERS

Companies are in a unique position to leverage their relationships with customers, vendors, suppliers, and employees to raise additional funds for nonprofit partners. For the 2010 CGS Survey (on 2009 contributions), CECF added a question allowing companies to report dollar amounts raised through formal campaigns, as these figures were not previously captured elsewhere. This is the second year of capturing this data.

To qualify, a campaign must meet the following criteria:

- **Corporate Commitment:** Formal campaigns must be company-sponsored, organized by a professional giving officer, and run nationally (at least). Campaigns that occur only in particular offices, regions, or stores are excluded.
- **Nonprofit Beneficiaries:** Fund recipients must be 501(c)(3) organizations or the international equivalent.
- **What to Exclude:** Any contribution provided by the company.

## RAISING FUNDS FROM STAKEHOLDERS

The CGS Survey distinguishes between two types of fundraising campaigns:

- Money raised from non-employees, such as customers, vendors, and suppliers.
- Money raised from employees through payroll deductions or other contributions.

## FUNDRAISING FROM NON-EMPLOYEES

Figure 19 shows that the highest median dollar amount raised came from non-employees. The majority of companies offering fundraising opportunities to non-employees are Service companies, particularly those with customer-facing products.

These campaigns include “at the register” fundraising from Consumer Discretionary and Consumer Staples companies. A similar model in the Financial or Health Care industries includes fundraising at bank branches or insurance offices. Utility companies often offer customers the opportunity to make donations on their monthly bill.

## FUNDRAISING FROM EMPLOYEES

Most of the money raised from employees, as reported in Figure 19, likely comes from matching-gift campaigns. Contributions through payroll deductions appear to be the most common, and the rather large number of nonprofit partners supported reflects the variance in policies, as some companies offer open-ended programs allowing employees to donate to a wide-range of eligible 501(c)(3) organizations.

Only eleven companies reported the costs associated with such programs, suggesting that the measurement of related marketing and administrative dollars continues to lag behind the programs’ popularity. Such costs might include in-store marketing, thank-you items, space in circulars, paid advertising, website design, and social media expenses. CECF hopes that companies are able increasingly to dedicate time and attention to the evaluation and measurement of these programs.

FIGURE 19

### Philanthropic Leverage: Money Raised from Corporate Fundraising Campaigns, 2010, Medians

MONEY RAISED FROM NON-EMPLOYEES		Median
Number of Fundraising Campaigns Offered Per Year	N=33	2
Total Number of Campaign Days (Across All Campaigns)	N=19	60
Total Marketing/Administrative Dollars Spent	N=11	\$0.08 million
Number of Nonprofit Partners Supported	N=24	5
Total Dollar Amount Generated for Nonprofit Partners	N=27	\$3.01 million
MONEY RAISED FROM EMPLOYEES		
Total Dollar Amount Raised from Employee Payroll Deductions	N=64	\$2.30 million
Total Dollar Amount Raised from Other Employee Contributions	N=57	\$0.71 million
Number of Nonprofit Partners Supported	N=51	422

# ORGANIZATION, MOTIVATION AND PROGRAM COSTS

## KEY FINDINGS IN THIS SECTION:

- **Majority Have Corporate Foundations**

In 2010, 81% of companies reported having a corporate foundation, the most common of which is a pass-through foundation structure. *See page 33.*

- **Largely Centralized Programs**

In 2010, an average of 22% of the typical company's total philanthropic contributions was managed by staff outside the foundation or corporate community affairs department. *See page 35.*

- **Fewer But Larger Grant Responsibilities**

From 2008 to 2010, the median number of grants per FTE has decreased, while the median grant size has risen. *See page 37.*

- **Administrative Costs Reduced**

In an effort to prevent grant reductions, philanthropy teams have continually reduced management and program costs since 2007. *See page 38.*

## FOUNDATION STRUCTURES

In 2010, 81% of companies reported having a corporate foundation (N=180). Respondents classified their foundation structures as follows:

- **Predominately Endowed:** Funded primarily from returns on an endowment (asset reserves invested to make a return).
- **Predominately Pass-Through:** Funded annually by the company, with typically 100% of those funds distributed throughout the year. Occasionally, pass-through foundations reserve funds for lean times.
- **Hybrid/Other:** Combination of endowed and pass-through foundation models, with neither structure dominating.
- **Operating:** Functions as a stand-alone nonprofit, granting at least 85% of its assets in programming or services directly to end-recipients.

As displayed in Figure 20, predominately pass-through foundations were most common (N=145).

## CORPORATE TRANSFERS OF FUNDS

The number of companies transferring funds to a corporate foundation in 2010 is provided below, according to foundation structure (N=127):

- **Endowed:** 12 of 26 companies (46%) with an endowed foundation transferred funds. The median transfer amount was \$4.31 million.
- **Pass-Through:** 48 of 55 companies (87%) with a pass-through foundation transferred funds. The median transfer amount was \$11.42 million.
- **Hybrid/Other:** 24 of 38 companies (63%) with a hybrid/other foundation type transferred funds. The median transfer amount was \$9.19 million.
- **Operating:** 6 of 8 companies (75%) with an operating foundation transferred funds. The median transfer amount was \$13.25 million.

In times of economic depression or uncertainty, companies with pass-through foundations must rely on reserve funds if they do not receive a corporate transfer.

## INDIVIDUAL BUDGET AUTHORITY

The largest grant dollar value that the senior-most person in the corporate giving department and/or foundation can award independently (i.e., without the review of a committee or board) is often considered a measure of autonomy for the corporate giving department or foundation.

### Corporate Side (N=125):

- \$95,900 = Median approval level
- \$0 to \$5,000,000 = Range of approval levels

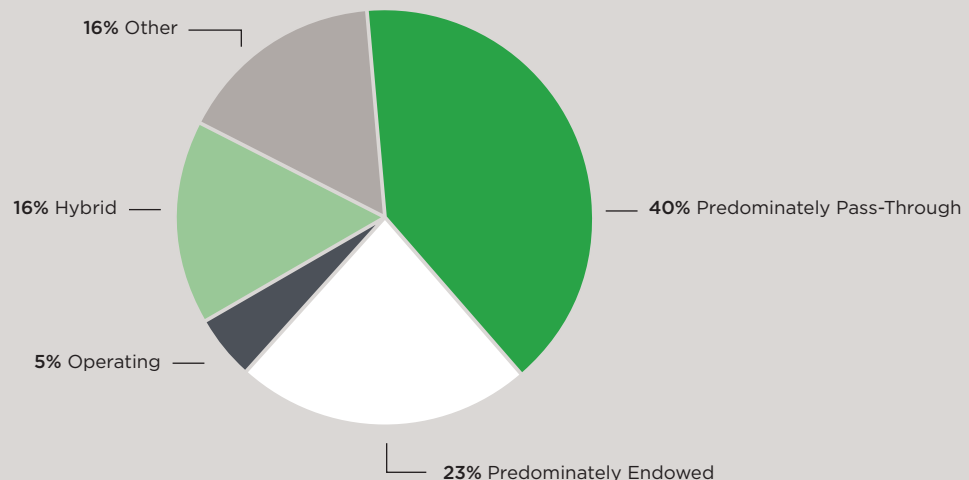
### Foundation Side (N=107):

- \$50,000 = Median approval level
- \$0 to \$1,000,000 = Range of approval levels

FIGURE 20

N=145

### Corporate Foundation Structures, 2010, Average Percentages



## DEFINING THE MOTIVATIONS

All of the corporate giving in the CGS Survey provides societal benefit by supporting 501(c)(3) organizations or the international equivalent, but the business benefits vary, depending on specific grant intentions:

- **Charitable:** Reactive community giving for which little or no business benefit is expected. Examples include disaster relief, matching-gift programs, raffle donations, and undirected bulk gifts to an in-kind distributor.
- **Community Investment:** Proactive grants that simultaneously aid long-term business goals and serve a critical community need. (Multi-year grants and signature programs are typically strategic in nature.)
- **Commercial:** Philanthropy in which benefit to the corporation is the primary motivation. Examples include cause marketing and giving to organizations as requested by clients or customers.

## ALLOCATION BY GIVING TYPE

Figure 21 illustrates the different giving motivations cited industry-by-industry for 2010. There are no “right” or “wrong” motivations; the labels given here aim simply to identify intent.

The Information Technology, Health Care, and Utility industries provided the highest percentage of their total funding to Commercially motivated initiatives.

## YEAR-OVER-YEAR CHANGES

The below tables detail the changes in giving motivations for Manufacturing and Service companies over time.

	2007	2008	2009	2010
<b>Manufacturing Companies (N=29):</b>				
Charitable	40%	41%	39%	38%
Comm. Inv.	57%	56%	57%	58%
Commercial	3%	3%	4%	4%
<b>Service Companies (N=39):</b>				
Charitable	52%	58%	55%	53%
Comm. Inv.	43%	38%	41%	43%
Commercial	5%	4%	4%	4%

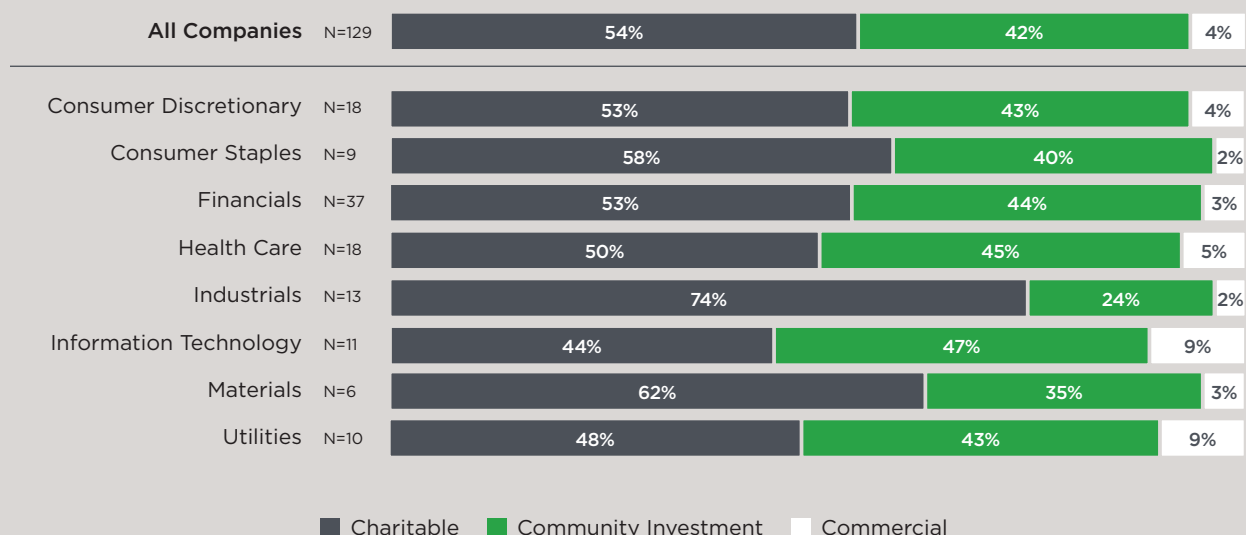
## INSIGHTS INTO THE CHANGES

Based on the tables in the previous column, Service companies designated twice as many grants to Commercially motivated initiatives than their Manufacturing peers in 2007. However, by 2010, the distinction was gone, as both company types allocated an average of 4% to Commercially motivated funding (N=29 Manufacturing companies and N=39 Service companies).

From 2007 to 2010, Manufacturing companies categorized 56% to 58% of their total giving as Community Investment, in comparison with 38% to 43% from Service companies. Manufacturing companies, which typically give close to one-third of their funding in the form of non-cash, appear better able to utilize non-cash contributions in a strategic fashion, making proactive product donations that help to meet both business goals and nonprofit needs.

FIGURE 21

### Giving Motivations by Industry, 2010, Average Percentages



## BUDGET TERM DEFINITIONS

An analysis of giving by budget source reveals the extent to which corporate headquarters has control over a company's total giving portfolio. In the CGS Survey, companies separate their total giving into three budget source designations, each indicating the group from which the gift was drawn:

- **Corporate Community Affairs:** Giving from one centralized philanthropy budget. This represents giving by the corporate headquarters contributions department (Corporate Community Affairs, Community Relations, External Affairs, etc.).
- **Corporate Foundation:** Giving from the corporate foundation. Funding for the foundation must originate from the company and not from private individuals, suppliers, or vendors.
- **All Other Groups:** Giving from all other offices, regions, business units, or groups outside the corporate headquarters contributions department or corporate foundation.

## CHANGES OVER TIME

Over the past three years, the allocations of foundation funding as a percentage of total giving have remained fairly stable, hovering around an average of 37% of total giving. Average budget source allocations for 2008, 2009, and 2010 were as follows (N=80):

	2008	2009	2010
Corporate Community Affairs	38%	38%	42%
Corporate Foundation	37%	37%	36%
All Other Groups	25%	25%	22%

From 2009 to 2010, the percentage of funding provided through the Corporate Community Affairs budget rose from 38% to 42%. Drawing upon the reasons provided by giving officers (see page 15), this could be attributed to above-budget disaster funding for the major disasters of 2010, or possibly new signature programs funded by the central philanthropy budget.

## INDUSTRY DIFFERENCES

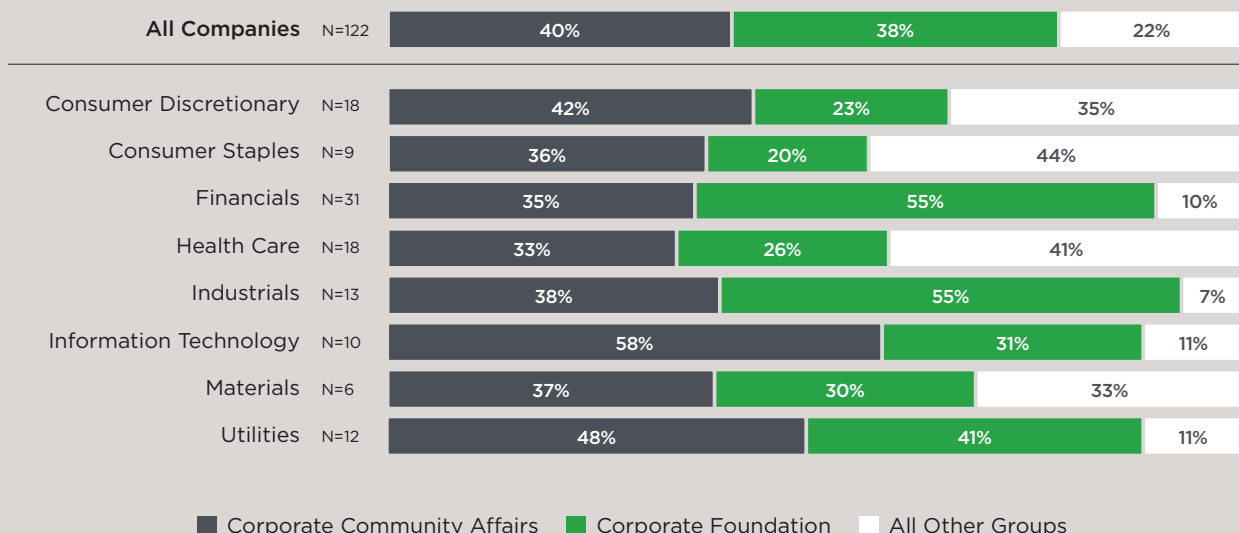
Figure 22 displays the average allocations by budget source for each industry in 2010. The typical company, on average, provided 22% of its annual budget from groups outside the Corporate Community Affairs department or Corporate Foundation, indicating that a fairly centralized approach is most common.

The Consumer Staples and Health Care industries rely on non-centralized budgets for more than 40% of their total giving. One explanation might be that product donations typically originate from warehouses or other regional offices and both of these industries provided considerable portions of their total giving in the form of non-cash (46% and 38%, respectively). The Financial, Industrial, Information Technology, and Utility industries are the most centralized, with 11% or less coming from all other groups.

Data from the Energy and Telecommunications industries are not displayed due to small sample sizes.

FIGURE 22

### Total Giving by Budget Source, 2010, Average Percentages



## DEFINING CONTRIBUTIONS FTEs

Successful implementation of a company's philanthropic strategy is largely dependent on the personnel dedicated to managing corporate giving departments, corporate foundations, and employee-volunteer programs.

In the CGS Survey, Full-Time Equivalent (FTE) contributions staff oversee, manage, and/or directly administer a corporate giving, corporate foundation, or employee-volunteer program. To be counted, a contributions FTE must spend at least 20% of his or her time working within Corporate Community Affairs or the corporate foundation or have "corporate giving" or "volunteer coordination" in his or her job description. A staff member spending a fraction of his or her time in such a capacity is recorded as the decimal equivalent of that fraction.

Contributions FTEs are explained in more detail on page 44 in the Appendix.

## GRANTS PER CONTRIBUTIONS FTE

In the CGS Survey, respondents report the annual number of grants, which includes non-cash donations and foundation grants. Checks issued as part of the employee matching-gift program are excluded.

In Figure 23, companies are categorized by the size of their total giving budgets. Median grantmaking calculations are taken on a column-by-column basis for each row, so the data in each row are not necessarily from the same companies.

Figure 23 shows that companies with larger giving budgets tend to have more contributions staff to help facilitate these programs. There appears to be a threshold in the 2010 data; once a company exceeds an annual giving budget of \$50 million, the staffing resources tend to be more similar for the upward tiers.

## INDUSTRY DIFFERENCES

The median numbers of contributions FTEs for each industry in 2010 are:

INDUSTRY	Median FTEs
Consumer Discretionary N=20	6
Consumer Staples N=15	6
Energy N=6	10
Financials N=40	12
Health Care N=20	8
Industrials N=16	4
Information Technology N=16	8
Materials N=7	2
Utilities N=14	11

Some of these differences may also be attributed to the types of giving provided by each industry and the resources necessary for management.

Data from the Telecommunications industry are not displayed, as there were too few respondents to meet the minimum sample-size requirements.

FIGURE 23

### Contributions Staffing and Workload, 2010, Medians

2010 TOTAL GIVING	Contributions FTEs	Grants per Contributions FTE	\$ Disbursed per Contributions FTE	Grant Size
All Companies N=158	8	76	\$2.07 million	\$24,368
Over \$100 million N=23	18	108	\$10.25 million	\$99,497
\$50+ to \$100 million N=17	18	71	\$3.58 million	\$36,350
\$25+ to \$50 million N=28	11	52	\$2.70 million	\$30,666
\$15+ to \$25 million N=35	6	61	\$3.07 million	\$24,226
\$5 to \$15 million N=29	5	127	\$1.52 million	\$13,392
Under \$5 million N=26	2	73	\$0.80 million	\$11,889

### NUMBER OF GRANTS PER FTE

In 2010, according to Figure 23, the typical contributions FTE made a median of 76 grants (N=158).

Figure 23 also shows that, in contrast to the number of contributions FTEs, the number of grants made by each FTE appears to have less to do with the size of the total giving budget. In fact, at the majority of companies, each philanthropy FTE is responsible for 100 or fewer grants annually. Additional context:

- 62% = Percentage of companies at which each philanthropy FTE makes 100 or fewer grants annually.
- 26% = Percentage of companies at which each philanthropy FTE makes 101-250 grants annually.
- 12% = Percentage of companies at which each philanthropy FTE makes more than 250 grants annually.

### A TREND TOWARD FEWER BUT LARGER GRANTS

Over time, contributions FTEs have become responsible for fewer but larger grants. To illustrate these findings, Figure 24 displays the median grants per FTE and median grant size for a matched set of companies from 2008 to 2010. The median number of grants per FTE has declined by 27% since 2007, while the median grant size has increased by 12%.

As a result of this trend, contributions staff are likely able to spend more time with each of their grantees. Consequently, more time can be devoted to monitoring and evaluating the full extent of the funding relationship.

### INDICATIVE OF PROGRAM OPERATION

An assessment of appropriate personnel levels and grant sizes for a company's philanthropic efforts depends on whether the company aims to operate high-touch or low-touch programs.

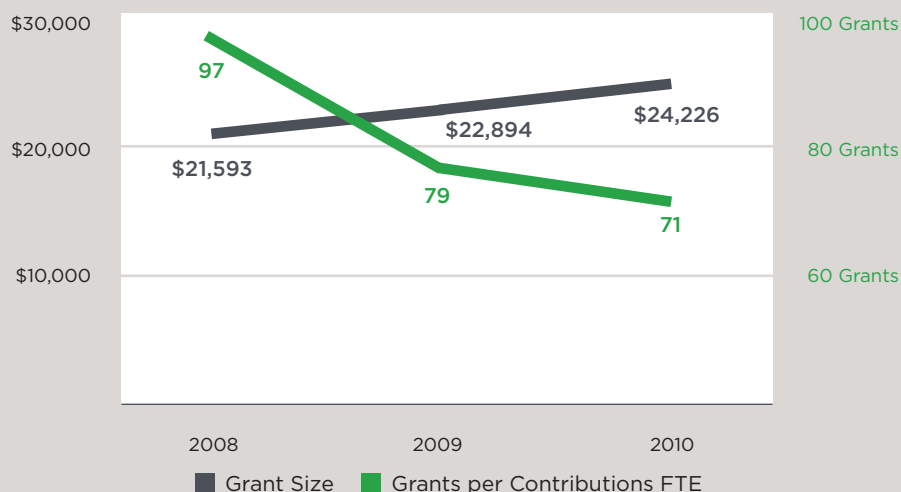
Typically less involved in the life of the grant over time, staff managing a low-touch program might require the recipient nonprofit to provide formal reports on fund usage, but otherwise they would have minimal involvement. Low-touch programs do not consume as much time or resources within the philanthropy team.

By contrast, staff that manage high-touch programs are very involved in the work of their grantees; sometimes they even nominate their own staff to serve on the nonprofit's board of directors, provide employee volunteers, and conduct regular status meetings. Accordingly, a high-touch program requires more staff than a low-touch program, and, typically, high-touch programs are indicative of larger, multi-year commitments.

FIGURE 24

N=67 MATCHED-SET DATA

#### Grants per Contributions FTE and Grant Size, 2010, Medians, Inflation-Adjusted





## GRANTMAKING COSTS

In the CGS Survey, respondents reported management and program costs associated with giving in three categories:

- **Compensation:** Staff salaries and benefits for all contributions FTEs.
- **Programmatic expenses:** Funds used to support specific grants, such as office supplies, postage, travel, printing, and catering.
- **Operating expenses/overhead:** The cost of day-to-day operations for philanthropy at the company or foundation and not associated with specific grants. Examples include software fees, travel to industry conferences, contracting outside vendors, and membership fees like those for CECF.

As shown in Figure 25, median total management and program costs as a percentage of total giving for all companies in 2010 was 8.0%.

## HIGHER GIVING, LOWER COSTS

As also shown in Figure 25, companies with larger giving budgets tend to have lower management and program costs. One reason is that companies with larger giving budgets typically provide larger grants (see page 36), some of which may be multi-year. As such, the costs tend to be more evenly disbursed over several years, in contrast to the costs associated with giving out smaller grants. In addition, companies with larger budgets often have superior grant-management software, reducing the amount of staff time needed for reporting and analysis.

## COSTS HAVE FALLEN

When philanthropy budgets face reductions, corporate giving professionals often try to lower operating costs in order not to curtail the grants themselves. In a three-year matched set, median management and program costs as a percentage of total giving have fallen by 1.2 % (N=32):

- 8.5% = 2008
- 8.1% = 2009
- 7.3% = 2010

## IMPACT OF MATCHING GIFTS

Each year, CECF looks at the many factors that influence management and program costs: level of international giving, number of contributions FTEs, allocations of cash and non-cash, etc. For 2010, an analysis of matching-gift ratios relative to management and program costs is offered in Figure 26.

Companies that dedicate large portions of their cash contributions to matching gifts appear to have a higher ratio of management and program costs relative to total giving. Matching-gift programs require substantial investments in grant-management technology, employee communications, and staff to manage these programs. There are also several types of matching-gift programs, from annual campaigns to year-round policies to Dollars for Doers, each requiring different levels of staffing, technology, and due diligence.

FIGURE 25

### Management and Program Costs as a Percentage of Total Giving, 2010, Medians

2010 TOTAL GIVING		Management Costs as a % of Total Giving (medians)
All Companies	N=52	8.0%
Over \$100 million	N=8	4.7%
\$25+ to \$100 million	N=13	4.4%
\$10 to \$25 million	N=17	9.2%
Under \$10 million	N=14	11.8%

FIGURE 26

### Management and Program Costs as a Percentage of Total Giving Relative to Matching Gifts as a Percentage of Cash Giving, 2010, Medians

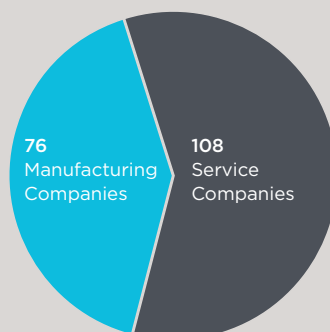
2010 MATCHING GIFTS AS A % OF CASH GIVING		Management Costs as a % of Total Giving (medians)
20% or more	N=15	11.6%
12%+ to 20%	N=15	8.7%
5% to 12%	N=13	5.8%
Less than 5%	N=6	6.0%



# 2010 SURVEY RESPONDENT PROFILE

TOTAL GIVING	Number of Companies
Over \$100 million	28
\$50+ to \$100 million	20
\$25+ to \$50 million	31
\$15+ to \$25 million	36
\$10+ to \$15 million	10
\$5 to \$10 million	26
Under \$5 million	32
Not Reported in Full	1

**Giving:** Total giving per company ranged from under \$700,000 to over \$3.11 billion. Median total giving in the 2010 CGS Survey sample was \$22.10 million.



**Classification:** Of the 184 survey respondents, there were more Service companies than Manufacturing companies, due in part to the large number of participating Financial companies (which are all Service companies).

INDUSTRY	Number of Companies
Consumer Discretionary	22
Consumer Staples	17
Energy	8
Financials	49
Health Care	23
Industrials	18
Information Technology	21
Materials	9
Telecommunication Services	3
Utilities	14

**Industry:** CECF uses the ten sectors from the Global Industry Classification Standard (GICS), developed by Morgan Stanley Capital International and Standard & Poor's, to classify companies in distinct industry groups. To be included in an industry-specific figure, an industry must be represented by at least six company responses. Throughout the report, industries with fewer than six company responses were not separated out in their own category.

PRE-TAX PROFIT	Number of Companies
Over \$10 billion	19
\$5+ to \$10 billion	25
\$3+ to \$5 billion	24
\$2+ to \$3 billion	20
\$1+ to \$2 billion	31
\$0 to \$1 billion	45
Under \$0	9
Not Reported	11

**Pre-Tax Profit:** 2010 pre-tax profit ranged from losses to profit of more than \$52.96 billion. Privately held companies were not required to submit pre-tax profit data. The median pre-tax profit among participants (including those reporting a loss) was \$2.09 billion.

REVENUE	Number of Companies
Over \$100 billion	11
\$50+ to \$100 billion	26
\$25+ to \$50 billion	41
\$15+ to \$25 billion	28
\$10+ to \$15 billion	20
\$5+ to \$10 billion	32
Under \$5 billion	22
Not Reported	4

**Revenue:** 2010 revenue for survey participants ranged from over \$890 million to over \$421 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was \$21.15 billion, which is slightly under the revenue threshold for the top 100 companies in the FORTUNE 500.

NUMBER OF EMPLOYEES	Number of Companies
Over 100,000	43
50,001 to 100,000	29
30,001 to 50,000	28
20,001 to 30,000	24
10,000 to 20,000	28
Under 10,000	31
Not Reported	1

**Employees:** The total number of employees at participating companies ranged from under 500 to 2.10 million. The median number of employees in the 2010 CGS sample was 33,000.

## RESPONDENT LISTING BY INDUSTRY

(2007 to 2010 matched-set companies are in boldface and the top 100 companies from the FORTUNE 500 are indicated with a †.)

### CONSUMER DISCRETIONARY (N=22)

**Best Buy Co., Inc.†**  
**Carlson**  
 Darden Restaurants, Inc.  
**DIRECTV, Inc.**  
**Gap Inc.**  
**Hasbro, Inc.**  
**The Home Depot, Inc.†**  
**J.C. Penney Company, Inc.**  
 Johnson Controls, Inc.†  
 Levi Strauss & Co.  
 Limited Brands, Inc.  
**Macy's, Inc.**  
**Mattel, Inc.**  
**The McGraw-Hill Companies**  
 Newell Rubbermaid Inc.  
**Ogilvy & Mather**  
 Pearson plc  
**Target†**  
**Time Warner Inc.†**  
**Toyota Motor North America, Inc.**  
**Toys“R”Us, Inc.**  
**The Walt Disney Company†**

### CONSUMER STAPLES (N=17)

**Altria Group, Inc.**  
 Campbell Soup Company  
**Cargill**  
**The Coca-Cola Company†**  
 Colgate-Palmolive Company  
**ConAgra Foods, Inc.**  
**CVS Caremark Corporation†**  
**General Mills, Inc.**  
**The Hershey Company**

### **Kimberly-Clark Corporation** **Kraft Foods†**

McCormick & Company,  
 Incorporated  
**PepsiCo†**  
 Philip Morris International†  
 The Procter & Gamble Company†  
**Wal-Mart Stores, Inc.†**  
 Woolworths Limited

### ENERGY (N=8)

Chesapeake Energy Corporation  
**Chevron Corporation†**  
 CITGO Petroleum Corporation  
**ConocoPhillips†**  
**Exxon Mobil Corporation†**  
**Hess Corporation†**  
 Peabody Energy Corporation  
 Shell Oil Company

### FINANCIALS (N=49)

**Allstate Insurance Company†**  
**American Express†**  
 AXA Equitable  
 Banco Bilbao Vizcaya Argentaria, S.A.  
**Bank of America Corporation†**  
 Barclays Capital  
 Bloomberg  
**BNY Mellon**  
 Capital One Financial Corporation  
**Citigroup Inc.†**  
**Citizens Financial Group, Inc.**  
 Credit Suisse  
**Deloitte LLP**  
**Deutsche Bank**  
 Discover Financial Services  
 Fannie Mae†  
 First Data Corporation  
**Genworth Financial, Inc.**

### **The Goldman Sachs Group, Inc.†**

The Guardian Life Insurance  
 Company of America  
**The Hartford Financial Services Group, Inc.**  
**HSBC Bank USA, N.A.**  
**ING Americas**  
**JPMorgan Chase & Co.†**  
**KPMG LLP**  
 Legg Mason, Inc.  
 Massachusetts Mutual Life Insurance  
 Company  
**MBIA Inc.**  
**MetLife, Inc.†**  
**Moody's Corporation**  
**Morgan Stanley†**  
 Nationwide Insurance  
 New York Life Insurance Company†  
 Northwestern Mutual  
**NYSE Euronext**  
**The PNC Financial Services Group, Inc.**  
 Popular, Inc.  
 Pricewaterhouse Coopers LLP  
**Principal Financial Group**  
**Prudential Financial, Inc.†**  
 Royal Bank of Canada  
**State Farm Mutual Automobile Insurance Company†**  
**State Street Corporation**  
 T. Rowe Price Group, Inc.  
 TIAA-CREF†  
**The Travelers Companies, Inc.**  
**UBS**  
**Wells Fargo & Company†**  
 Zurich Financial Services Ltd.

## HEALTH CARE (N=23)

**Abbott Laboratories†**  
**Aetna Inc.†**  
**Agilent Technologies, Inc.**  
 Amgen Inc.  
**BD**  
**Bristol-Myers Squibb Company**  
**Cardinal Health, Inc.†**  
 CIGNA  
 DaVita Inc.  
**Eli Lilly and Company**  
 Express Scripts, Inc.†  
**GlaxoSmithKline plc**  
**HCA Inc.†**  
 Humana Inc.†  
**Johnson & Johnson†**  
**McKesson Corporation†**  
 Medtronic, Inc.  
**Merck†**  
**Pfizer Inc†**  
 Quest Diagnostics Incorporated  
 Sanofi  
**UnitedHealth Group†**  
**WellPoint, Inc.†**

## INDUSTRIALS (N=18)

**3M†**  
 The Boeing Company†  
 Caterpillar Inc.†  
**Crane Co.**  
 Delta Air Lines, Inc.†  
 Eaton Corporation  
**Emerson Electric Co.**  
 FedEx Corporation†  
**General Electric Company†**  
 Illinois Tool Works Inc.  
 ITT Corporation  
 Lockheed Martin Corporation†  
**Meritor, Inc.**  
**Mitsubishi International Corporation**

**Northrop Grumman Corporation†**  
**Pitney Bowes Inc.**  
 Ryder System, Inc.  
**United Technologies Corporation†**

## INFORMATION TECHNOLOGY (N=21)

**Accenture**  
 Adobe Systems Incorporated  
 Applied Materials, Inc.  
 BMC Software  
**Cisco Systems†**  
**Dell Inc.†**  
 eBay Inc.  
 EMC Corporation  
 Google Inc.†  
**Hewlett-Packard Company†**  
**IBM Corporation†**  
**Intel Corporation†**  
**MasterCard Worldwide**  
**Microsoft Corporation†**  
**Qualcomm Incorporated**  
 Sabre Holdings  
**salesforce.com**  
 Symantec Corporation  
 Texas Instruments Incorporated  
**The Western Union Company**  
**Xerox Corporation**

## MATERIALS (N=9)

**Alcoa Inc.**  
**Arch Chemicals, Inc.**  
 Ashland Inc.  
**The Dow Chemical Company†**  
**DuPont†**  
 FMC Corporation  
 The Lubrizol Corporation  
 Mosaic Company  
 Praxair, Inc.

## TELECOMMUNICATIONS SERVICES (N=3)

**Sprint Nextel Corporation†**  
**Verizon Communications Inc.†**  
 Vodafone Group Plc

## UTILITIES (N=14)

**Consolidated Edison, Inc.**  
**Constellation Energy Group, Inc.**  
 Dominion Resources, Inc.  
**Duke Energy Corporation**  
**Entergy Corporation**  
 National Grid  
**OGE Energy Corp.**  
**PG&E Corporation**  
**PNM Resources, Inc.**  
**Progress Energy, Inc.**  
 Public Service Enterprise Group Incorporated  
**Sempra Energy**  
 Southern California Edison  
 TECO Energy, Inc.

## FOUR-YEAR MATCHED-SET PROFILE

In order to illustrate the year-over-year trends, CECF employed a four-year matched set of 110 companies for many of the analyses in this report. These companies are shown in boldface in the respondent listing above. Each of the 110 companies provided 2007, 2008, 2009, and 2010 giving data. Forty-nine of the top 100 companies in the FORTUNE 500 were included in this four-year set. The combined total giving for all 110 companies in 2010 was \$13.00 billion.

INDUSTRY	Number of Companies
Consumer Discretionary	16
Consumer Staples	11
Energy	4
Financials	28
Health Care	15
Industrials	9
Information Technology	12
Materials	4
Telecommunication Services	2
Utilities	9

TOTAL GIVING	Number of Companies
Over \$100 million	24
\$50+ to \$100 million	12
\$25+ to \$50 million	18
\$15+ to \$25 million	25
\$10+ to \$15 million	7
\$5 to \$10 million	11
Under \$5 million	13

## CALCULATIONS

### SAMPLE SIZE MATTERS

Throughout the report, the convention “N=” indicates the number of companies used in each calculation. The number will vary from one figure or data point to the next because respondents do not necessarily answer every question in the survey. This happens when a company either does not participate in the type of philanthropy in question (for example, if a company does not have an employee-volunteer program) or when the company does not have the data needed to respond.

In order to analyze specific trends from one year to the next, CECF relies on matched-set data, which is the data from companies that participate in CGS surveys over multiple consecutive years. The sample sizes for figures based on matched sets are always lower than the total number of companies responding in 2010 because companies completing the survey for the first time in 2010 cannot be used to identify year-over-year trends.

In some cases, identifying specific trends requires the exclusion of certain data, resulting in different outcomes for the same data point. For example, median total giving across all companies in 2010 was \$22.10 million (based on 183 surveys), while the same data point across the four-year matched set was \$24.88 million (based on 110 surveys). For this reason, it is helpful to note which years (and how many surveys) are included in the computations behind each figure.

Data for “all companies” are shown in several figures throughout the report, along with an industry breakdown. While some underrepresented industries are excluded from the specific breakdowns (such as Energy, Telecommunication Services, and Materials), the companies within these industries are included in the “all companies” aggregate. This causes the sample sizes for the breakdown to sum to a lower number than the sample size for the “all companies” aggregate.

### CALCULATION TERMINOLOGY

#### Aggregate Values

An aggregate value is the straight sum of all of the values in a calculation. For example, aggregate total giving is the sum of the total giving of all companies participating in the survey. In the 2010 CGS Survey, this amounted to over \$15.5 billion.

#### Average Percentage

An average percentage is used in place of an aggregate percentage to preserve the relative proportions of giving for each company. To calculate average percentage, each individual company’s giving is first translated into percentages. Then, percentages across all companies are averaged.

## Distributions

Figures 1, 2, and 3 in this report show companies grouped into categories based on how much their pre-tax profit or total giving changed from one year to the next. To sort companies into these categories most accurately, CECF calculates percentage changes to six decimal points. It is extremely rare that a company falls exactly on the threshold between one category and the next. In instances when this does occur, CECF conservatively lists the company in the lower range.

## Losses/Increases

In Figure 1, the “losses” category includes companies that reported positive pre-tax profit one year and negative pre-tax profit the next. Accordingly, the “increases” category includes companies that reported negative pre-tax profit one year and positive pre-tax profit the next.

## Median

When a group of numbers is sorted from highest to lowest, the median value is the number in the middle of the list. If the list has an even number of entries, the median is the average of the middle two figures. Medians are used in CGS calculations because they are less sensitive to extreme values than averages, which can be skewed by very high or very low values.

## WHAT’S IN, WHAT’S OUT?

Only giving to 501(c)(3) organizations or the international equivalent is recorded in the Corporate Giving Standard (CGS) Survey. The company or corporate foundation can have no expectation of repayment. Contributions to public schools are included. Giving to Patient Assistance Programs (PAPs) by pharmaceutical companies and Public Service Announcements (PSAs) by media companies are also included. Giving to political action committees, individuals, or any other non-501(c)(3) organization should not be included.

In the CGS Survey, total giving does not include contributions from employees, vendors, or customers. While many companies solicit funds from customers or employees, total giving includes only funds tied directly to a company’s financial assets. For multi-year grants, only the portion of the grant actually paid in the fiscal year examined in the survey is included, not its total, multi-year value.

## TOTAL GIVING

CECF defines total giving as the sum of three types of giving:

- **Direct Cash:** Corporate giving from either headquarters or regional offices.
- **Foundation Cash:** Corporate foundation giving, which often includes the corporate side of employee-matching gifts.
- **Non-Cash:** Product or pro bono services assessed at Fair Market Value.

Total giving does not include management and program costs or the value of volunteer hours.

## Download a Free CGS Valuation Guide:

[CorporatePhilanthropy.org/surveyguide](http://CorporatePhilanthropy.org/surveyguide).

## DEVELOPING WORLD

As defined by the Hudson Institute, the developing world excludes North America, Western Europe, and Russia, but includes the following:

- All of Africa.
- Asia (except Australia, Japan, Singapore, New Zealand, Hong Kong, Macau, Brunei, Taiwan, and South Korea).
- Latin America and the Caribbean (except Aruba, Bermuda, French Guiana, Guadeloupe, Martinique, Puerto Rico, St. Martin, Turks and Caicos, St. Croix, British Virgin Islands, and Cayman Islands).
- Middle East (except Saudi Arabia, Israel, Kuwait, Qatar, and United Arab Emirates).
- Central Asia.
- Eastern Europe (except Lithuania, Estonia, Latvia, Bulgaria, Romania, and Slovenia).
- Turkey.

## FAIR MARKET VALUE (FMV)

The CGS Survey values non-cash gifts, also known as in-kind or product donations, at Fair Market Value. IRS publication 561 defines Fair Market Value as “the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.” If the direct customer for the product is a wholesaler, FMV is the price at which the item was sold to the wholesaler (as FMV is based upon the next point of sale). Reference the CGS Valuation Guide for further detail on special circumstances affecting Fair Market Valuations.



## FORTUNE 100 (F100)

Compiled and published by Fortune Magazine, the FORTUNE 500 is an annual ranking of the top 500 American public corporations as measured by gross revenue. In this report, CECP frequently refers to the top 100 companies from the FORTUNE 500.

## FULL-TIME EQUIVALENT (FTE) STAFF

CECP defines contributions FTE staff as those who contribute, through oversight or direct involvement, to at least one of the following initiatives or programs:

- Corporate or foundation giving (including workplace giving campaigns, matching, and in-kind giving).
- Employee volunteering.
- Community or nonprofit relationships.
- Community and economic development.
- Communications, media relations, sponsorships, administration, or public relations focused on community affairs, contributions, or volunteering.
- Sponsorships related to corporate giving.
- Administration related to community affairs, contributions, and volunteering.

To be counted, a contributions FTE must spend at least 20% of his or her time working directly in Corporate Community Affairs or a similarly named department; working for the corporate foundation(s); or working in a branch office, retail store, local or regional business unit, or other non-headquarter/non-foundation location but having “corporate giving” or “volunteer coordination” included in his or her job definition.

A staff member spending a fraction of his or her time in such a capacity is recorded as the decimal equivalent of that fraction. For example, someone who spends 50% of his or her working time on corporate giving is 0.5 of a contributions FTE.

## MOTIVATIONS

To determine which motivation label suits a grant, ask: “What was the primary anticipated outcome?” Each category is simply a way of categorizing grantmaking intent so that a company may determine whether its giving goals are being met.

**Charitable:** Reactive or input-driven giving. A company expects little or no business benefit in return for its giving, except perhaps acknowledgement that the business is responsive and cares about its community. The money is not aligned with a particular giving objective, the results of the giving are rarely tracked, and frequently this giving is distributed to a local group. In Charitable giving, the company is not seeking to play any kind of advisory or management role; once the gift is delivered, the transaction is over. Short-term, one-off grants typically fall into this category.

**Community Investment:** Proactive and primarily outcome-driven giving in which a corporation makes gifts that are simultaneously important to the long-term success of the business and serve a critical community need. Establishing a meaningful, long-term relationship with nonprofit partners that have mission statements in line with a company’s philanthropic priority areas distinguishes Community Investment from Charitable giving. Often the company seeks to measure the outcome or positive result achieved and also likes to participate in the design and execution of the initiative or program. Multi-year grants are typically Community Investment.

**Commercial:** Philanthropy in which benefit to the corporation is the primary reason for giving; the good it does the cause or community is secondary. The goal may be to entertain a client or donate to a cause that is important to a key vendor or customer. Unless initiated by a client, this giving is typically proactive on the company’s part and justified by a clear tie to business success. Cause marketing falls into this category.

## PHILANTHROPIC LEVERAGE

For some companies, part of their philanthropic effort involves raising funds from employees, customers, suppliers, and/or vendors. These funds are not included in total giving; only contributions that tie directly to a corporation’s financials are included in total giving. These fundraising amounts are reported in a separate question, however, to allow for benchmarking.

To include funds in this survey question, funds must be raised from formal campaigns meeting the following criteria:

- **Corporate Commitment:** These campaigns must be company-sponsored, organized by a professional giving officer, and run nationally (at least). Campaigns that occur only in particular offices, regions, or stores are not included.
- **Nonprofit Beneficiaries:** Recipient organizations of the funds raised must be 501(c)(3) organizations or the international equivalent.
- **What to Exclude:** Any contribution provided by the company. All corporate contributions to 501(c)(3) organizations or the international equivalent are included in total giving.

**PRO BONO SERVICE**

Pro bono service is a type of employee engagement that falls within skills-based service. However, unlike any other type of employee engagement, pro bono service is recorded in the CECIP survey as a non-cash or in-kind contribution. The criteria below, all of which must be met, distinguish pro bono service from other paid-release employee time:

- **Commitment:** The company must make a formal commitment to the recipient nonprofit organization for the final work product. The company is responsible for granting the service, staffing the project, and ensuring its timely completion and overall quality. Projects that occur informally as a result of an employee's personal interest and availability are not included.
- **Professional Services:** Pro bono donations are professional services for which the recipient nonprofit would otherwise have to pay. Employees staffed on the project must use the same skills that constitute the core of their official job descriptions. Projects that use only some of an employee's basic job knowledge are not included in pro bono.
- **Indirect Services:** Pro bono services must be indirect, meaning that the corporation must provide the service through a 501(c)(3) organization or international equivalent.

Additional examples of pro bono service and guidance on valuing pro bono service hours at Fair Market Value can be found in the CGS Valuation Guide.

**PROGRAM AREAS**

CECP counsels respondents to help them categorize their contributions' ultimate end-recipients, rather than the general organization type. For additional guidance on what is included in each of these categories, please refer to the CGS Valuation Guide.

**Civic and Public Affairs:** Includes contributions to justice and law, state or local government agencies, regional clubs and fraternal orders, and grants to public policy research organizations (such as American Enterprise Institute and The Brookings Institution).

**Community and Economic Development:** Includes contributions to community development (aid to minority businesses and economic development councils), housing and urban renewal, and grants to neighborhood or community-based groups.

**Culture and Arts:** Includes contributions to museums, arts funds or councils, theaters, halls of fame, cultural centers, dance groups, music groups, heritage foundations, and non-academic libraries.

**Disaster Relief:** Contributions that support preparedness or relief, recovery, and/or rebuilding efforts in the wake of a natural or civil disaster or other emergency hardship situation.

**Education, Higher:** Includes contributions to higher educational institutions (including departmental, special projects, and research grants); education-related organizations (e.g., associations for professors and administrators, literacy organizations, and economic education organizations); and scholarship and fellowship funds for higher education students through intermediary organizations and other education centers, foundations, organizations, and partnerships.

**Education, K-12:** Includes contributions to K-12 institutions (including departmental, special projects, and research grants); education-related organizations (e.g., associations for teachers and administrators, literacy organizations, and economic education organizations); and scholarship and fellowship funds for K-12 students through intermediary organizations and other education centers, foundations, organizations, and partnerships.

**Environment:** Includes contributions to environmental and ecological groups or causes including parks, conservancies, zoos, and aquariums.

**Health and Social Services:** Includes contributions to United Way and other workplace giving campaigns and grants to local and national health and human services agencies (e.g., Red Cross, American Cancer Society); hospitals; agencies for youth (excluding K-12 education); senior citizens; and any other health and human services agencies, including those concerned with safety, family planning, and drug abuse.

**Other:** Contributions that do not fall into any of the main beneficiary categories or for which the recipient is unknown.



# ABOUT THE CORPORATE GIVING STANDARD

**The Corporate Giving Standard is unsurpassed as corporate philanthropy's most comprehensive measurement initiative. No other industry tool offers immediate, on-demand reporting and benchmarking while preserving the anonymity of each company's giving data.**

## WHAT MAKES THE CGS UNIQUE?

The Corporate Giving Standard (CGS) is a peer benchmarking tool for corporate giving professionals. Through its annual survey, CECF collects and reports data on numerous aspects of corporate giving programs. Launched in 2001, the CGS now accounts for over \$85 billion in corporate giving data.

## ACTIONABLE DATA

The data in the CGS is self-reported by the corporate respondents. CECF takes great care to ensure that survey questions and results are interpreted consistently across companies. In addition to providing respondents with training sessions, documentation, and one-on-one support, CECF reviews each survey to ensure accurate reporting. The result is a reliable data repository that serves as a solid foundation for strategy development and program evaluation.

## DEPTH OF RESEARCH

The CGS is unrivaled in its granularity and its targeted, robust participation. CECF's detailed corporate survey embraces the full scope and scale of leading companies' community involvement.

## PUBLIC REPORTS

Understanding the impact of the significant flow of resources from the private sector to areas of social need requires an assessment of what precisely companies have contributed. Toward that end, CECF offers its annual *Giving in Numbers* report as a free resource containing the most comprehensive and up-to-date analyses of trends in corporate giving. CECF encourages readers to review the survey and valuation guide, also available as free downloads, and to contact the authors with any questions or comments about the findings in this and past editions of the report. During the year, CECF also offers webinars on the corporate giving trends, providing an opportunity for further discussion around the findings.

## UNLIMITED CUSTOM ANALYSIS

The Corporate Giving Standard reporting website provides 24/7 access to peer-to-peer company comparisons, aggregated industry benchmarks, and internal year-over-year spending analyses. Giving professionals define their own peer groups to create online customized reports, which are particularly valuable in planning giving strategies and presenting the business case for corporate philanthropy to senior management.

The CGS data can be calculated in myriad ways, producing more than 40 reporting options with the click of a button. A list of available CGS reports can be previewed online at [CorporatePhilanthropy.org/cgs](http://CorporatePhilanthropy.org/cgs).

## ONE-ON-ONE SUPPORT

Join forces with CECF research staff to contextualize year-over-year changes within broader trends in corporate giving. Prepare for upcoming senior leadership or board meetings by collaborating with CECF to design custom presentations and reports tailored to feature your company's contributions in the context of industry and peer-company trends.

## JOIN US!

Interested companies are invited to join this landmark campaign. To schedule an online demonstration of the Corporate Giving Standard, contact:

### **Committee Encouraging Corporate Philanthropy**

Alison P. Rose  
[ARose@CorporatePhilanthropy.org](mailto:ARose@CorporatePhilanthropy.org)  
212-825-1262

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The Corporate Giving Standard framework, used as the basis for the survey, was adapted from the London Benchmarking Group model. Certain definitions within the CGS Survey are based on the Conference Board's Annual Survey of Corporate Contributions and related research report. CECP is grateful to both organizations for their collaboration in making these materials available. CECP would also like to acknowledge the Points of Light Institute for its input on the volunteerism section of the survey and valuation guide, and the Taproot Foundation's Pro Bono Action Tank for its leadership and expertise in the area of pro bono service.



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